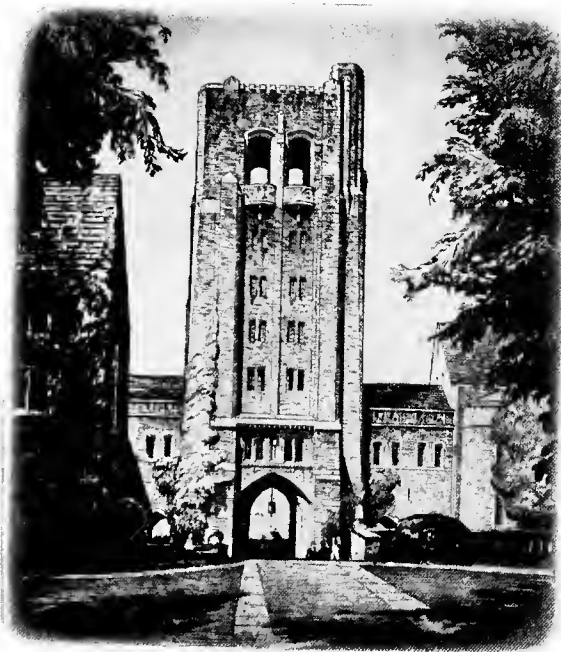


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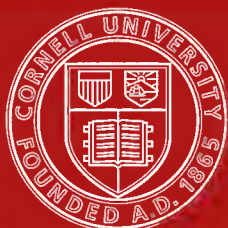
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CORPORATION ALMANAC

AND

DAILY REMINDER

GIVING IN CHRONOLOGICAL ORDER ALL DATES WHEN
REPORTS MUST BE MADE, TAXES PAID OR OTHER
PRESCRIBED ACTION TAKEN BY CORPORATIONS
UNDER THE LAWS OF DELAWARE, MAINE,
MASSACHUSETTS, NEW JERSEY, NEW
YORK, PENNSYLVANIA AND THE FED-
ERAL LAWS, TOGETHER WITH THE
TEXT OF THESE LAWS, FORMS
OF REPORTS AND NOTES
ON THEIR PREPARA-
TION.

By

WILLIAM B. DEVOE

OF THE NEW YORK BAR

New York:

BAKER, VOORHIS AND CO.

1919.

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By WILLIAM B. DEVOE

PREFACE

Governmental supervision and regulation of corporations is daily increasing in extent and complexity, with a corresponding increase in the requirements which corporations must observe in order to remain in good standing with the various federal and state authorities. These requirements consist chiefly in the making and filing of numerous reports and certificates with different governmental departments, and failure to observe statutory provisions in respect to such reports may entail severe penalties. Considerable uncertainty and confusion exists among corporations (and to some extent among lawyers also) as to the precise scope of corporate obligations in this direction, with the result that in many instances penalties have been imposed which an adequate knowledge of the subject would have averted.

It is the purpose of this book to tell *when, where* and *how* these various reports and certificates should be prepared and filed, and to give some idea of the different systems of state taxation so far as these apply to corporations. Since it would make the book inconveniently bulky and expensive to include in it the requirements of every state in the Union, and since the majority of corporations are formed under the laws of either New York, New Jersey, Maine, Delaware, Pennsylvania or Massachusetts, these are the only states dealt with. The duties imposed on corporations by the federal laws are also set forth.

It is the author's hope that the book may be found

sufficiently thorough and workmanlike to be of service to the legal profession, and at the same time simple and non-technical enough to serve as a useful guide to corporations which prepare and file their reports without the aid of counsel.

The author is indebted for much assistance and many courtesies shown him in the preparation of the work by the respective Secretaries of State and Commissioners of Banking and Insurance of the states dealt with, and in particular to the various state tax departments whose officials have been good enough to examine and revise the sections dealing with the different systems of state taxation. Thanks are also due to Mr. Frank M. Eastman of Harrisburg, Pa., for permitting the insertion of extracts from his well-known work on Pennsylvania Corporations. To all of these gentlemen grateful acknowledgment is made.

May 15, 1919.

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New York City

INTRODUCTORY NOTE.

IMPORTANT.—This book does not include the requirements of law peculiar to public service corporations (i. e., transportation and transmission corporations, light, water, heat and power companies), charitable and educational organizations, membership corporations (clubs, etc.), and brewing and distilling companies. All other classes of corporations are dealt with. In the entries relating to state laws the term “domestic corporation” means a corporation organized under the laws of the particular state then under discussion, and “foreign corporation” means one organized under the laws of any other state or country. in entries relating to federal laws, “domestic corporation” means a corporation organized under the laws of any state of the United States, and “foreign corporation” means any other corporation.

The citations of state laws include all amendments to the end of the various legislative sessions of 1918, and in addition the recently enacted New York Income Tax Law. Federal laws are corrected to January 1, 1919.

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PART I

CHRONOLOGICAL LIST OF DATES IMPORTANT TO CORPORATIONS.

JANUARY.

FEDERAL.

January 1.

Corporations engaged solely in export trade file statement with Federal Trade Commission (Act of Congress of April 10, 1918—the “Webb Act”—Sec. 5) as follows:

That every association now engaged solely in export trade, within sixty days after the passage of this Act, and every association entered into hereafter which engages solely in export trade, within thirty days after its creation, shall file with the Federal Trade Commission a verified written statement setting forth the location of its offices or places of business and the names and addresses of all its officers and of all its stockholders or members, and if a corporation, a copy of its certificate or articles of incorporation and by-laws, and if unincorporated, a copy of its articles or contract of association, and on the first day of January of each year thereafter it shall make a like statement of the location of its offices or places of business and the names and addresses of all its officers and of all its stockholders or members and of all amendments to and changes in its articles or certificate of incorporation or in its articles or contract of association. It shall also furnish to the commission such information as the commission may require as to its organization, business, conduct, practices, management, and relation to other associations, corporations, partnerships, and individuals. Any association which shall fail so to do shall not have the benefit of the provisions of section two and

section three of this Act, and it shall also forfeit to the United States the sum of \$100 for each and every day of the continuance of such failure, which forfeiture shall be payable into the Treasury of the United States, and shall be recoverable in a civil suit in the name of the United States brought in the district where the association has its principal office, or in any district in which it shall do business. It shall be the duty of the various district attorneys, under the direction of the Attorney General of the United States, to prosecute for the recovery of the forfeiture. The costs and expenses of such prosecution shall be paid out of the appropriation for the expenses of the courts of the United States.

January 1 to 10.

National banks make return to Treasurer of United States of notes in circulation. (For text of law, see under next entry.)

January 1 to 31.

National banks pay tax on notes in circulation (U. S. Rev. Stats., Secs. 5214 to 5216) as follows:

Sec. 5214.

In lieu of all existing taxes, every association shall pay to the Treasurer of the United States, in the months of January and July, a duty of one-half of one per centum each half-year upon the average amount of its notes in circulation, and a duty of one-quarter of one per centum each half-year upon the average amount of its deposits, and a duty of one-quarter of one per centum each half-year on the average amount of its capital stock, beyond the amount invested in United States bonds.

National banking associations having circulating notes secured otherwise than by bonds of the United States, shall pay for the first three months a tax at the rate of three per centum per annum upon the average amount of such of their notes in circulation as are based upon the deposit of such securities, and afterwards an additional tax rate of one-half of one per centum per annum for

each month until a tax of six per centum per annum is reached, and thereafter such tax of six per centum per annum upon the average amount of such notes.

Sec. 5215.

In order to enable the Treasurer to assess the duties imposed by the preceding section, each association shall, within ten days from the first days of January and July of each year, make a return, under the oath of its president or cashier, to the Treasurer of the United States, in such form as the Treasurer may prescribe, of the average amount of its notes in circulation for the six months next preceding the most recent first day of January or July. Every association which fails so to make such return shall be liable to a penalty of two hundred dollars, to be collected either out of the interest as it may become due such association on the bonds deposited with the Treasurer, or, at his option in the manner in which penalties are to be collected of other corporations under the laws of the United States.

Sec. 5216.

Whenever any association fails to make the half-yearly return required by the preceding section, the duties to be paid by such association shall be assessed upon the amount of notes delivered to such association by the Comptroller of the Currency.

January 1 to 31.

National banks must hold annual election of directors during this period (U. S. Rev. Stats., Sec. 5145) as follows:

The affairs of each association shall be managed by not less than five directors, who shall be elected by the shareholders at a meeting to be held at any time before the association is authorized by the Comptroller of the Currency to commence the business of banking; and afterward at meetings to be held on such day in January of each year as is specified therefor in the articles of association. The directors shall hold office for one year, and until their successors are elected and have qualified.

10th day of each month.

Corporations dealing in leaf tobacco report to Collector of Internal Revenue purchases, receipts, sales and shipments (U. S. Rev. Stats., Sec. 3360b) as follows:

Every dealer in leaf tobacco on or before the tenth day of each month, shall furnish to the collector of the district a true and complete report of all purchases, receipts, sales and shipments of leaf tobacco made by him during the month next preceding, which report shall be verified and rendered in such form as the Commissioner, with the approval of the Secretary, shall prescribe.

10th day of each month.

On or before this date manufacturers and importers of playing cards make return covering business of preceding month. Return is to be made to Collector of Internal Revenue in duplicate on form 749 (Treasury Decision 2817, April 2, 1919).

20th day of each month.

Corporations make return in duplicate to Collector of Internal Revenue on form 1012 of taxes withheld from payments of interest on corporate bonds, mortgages, etc., during preceding month (Regulations 45, Art. 370. For text, see page 75).

20th day of each month.

Corporations make return to Commissioner of Internal Revenue (Sorting Division) on form 1096A of payments of interest on corporate bonds, mortgages, etc., from which no tax was withheld during preceding month (Regulations 45, Arts. 370, 373. For text, see pages 75, 76).

Last day of each month.

Corporations subject to "admissions and dues" taxes make return in duplicate on form 729 to Collector of Internal Revenue and pay taxes collected during preceding month (Regulations 43, Art. 16).

Last day of each month.

Corporations subject to any of the taxes imposed by Secs. 628, 900, 902, 904 or 906 of the Revenue Act of 1918 make return to Collector of Internal Revenue covering taxes collected during preceding calendar month and pay taxes so collected to him. The text of these sections is as follows:

Sec. 628.

That there shall be levied, assessed, collected, and paid in lieu of the taxes imposed by sections 313 and 315 of the Revenue Act of 1917—

(a) Upon all beverages derived wholly or in part from cereals or substitutes therefor, and containing less than one-half of one per centum of alcohol, sold by the manufacturer, producer, or importer, in bottles or other closed containers, a tax equivalent to 15 per centum of the price for which so sold; and upon all unfermented grape juice, ginger ale, root beer, sarsaparilla, pop, artificial mineral waters (carbonated or not carbonated), other carbonated waters or beverages, and other soft drinks sold by the manufacturer, producer, or importer, in bottles or other closed containers, a tax equivalent to 10 per centum of the price for which so sold; and

(b) Upon all natural mineral waters or table waters, sold by the producer, bottler, or importer thereof, in bottles or other closed containers at over 10 cents per gallon, a tax of 2 cents per gallon.

Sec. 900.

That there shall be levied, assessed, collected, and paid, upon the following articles sold or leased by the manufacturer, producer,

or importer, a tax equivalent to the following percentages of the price for which so sold or leased—

(1) Automobile trucks and automobile wagons, (including tires, inner tubes, parts, and accessories therefor, sold on or in connection therewith or with the sale thereof), 3 per centum;

(2) Other automobiles and motorcycles, (including tires, inner tubes, parts, and accessories therefor, sold on or in connection therewith or with the sale thereof), except tractors, 5 per centum;

(3) Tires, inner tubes, parts, or accessories, for any of the articles enumerated in subdivision (1), or (2) sold to any person other than a manufacturer or producer of any of the articles enumerated in subdivision (1), or (2) 5 per centum;

(4) Pianos, organs (other than pipe organs), piano players, graphophones, phonographs, talking machines, music boxes, and records used in connection with any musical instrument, piano player, graphophone, phonograph, or talking machine, 5 per centum;

(5) Tennis rackets, nets, racket covers and presses, skates, snow-shoes, skis, toboggans, canoe paddles and cushions, polo mallets, baseball bats, gloves, masks, protectors, shoes and uniforms, football helmets, harness and goals, basket-ball goals and uniforms, golf bags and clubs, lacrosse sticks, balls of all kinds, including baseballs; footballs, tennis, golf, lacrosse, billiard and pool balls, fishing rods and reels, billiard and pool tables, chess and checker boards and pieces, dice, games and parts of games (except playing cards and children's toys and games), and all similar articles commonly or commercially known as sporting goods, 10 per centum;

(6) Chewing gum or substitutes therefor, 3 per centum;

(7) Cameras weighing not more than 100 pounds, 10 per centum;

(8) Photographic films and plates, other than moving-picture films, 5 per centum;

(9) Candy, 5 per centum;

(10) Firearms, shells, and cartridges, except those sold for the use of the United States, any State, Territory, or possession of the United States, any political subdivision thereof, the District of Columbia, or any foreign country while engaged against the German Government in the present war, 10 per centum;

(11) Hunting and bowie knives, 10 per centum;

(12) Dirk knives, daggers, sword canes, stillettos, and brass or metallic knuckles, 100 per centum;

(13) Portable electric fans, 5 per centum;

(14) Thermos and thermostatic bottles, carafes, jugs, or other thermostatic containers, 5 per centum;

(15) Cigar or cigarette holders and pipes, composed wholly or in part of meerschaum or amber, humidors, and smoking stands, 10 per centum;

(16) Automatic slot-device vending machines, 5 per centum, and automatic slot-device weighing machines, 10 per centum; if the manufacturer, producer, or importer of any such machine operates it for profit, he shall pay a tax in respect to each such machine put into operation equivalent to 5 per centum of its fair market value in the case of a vending machine, and 10 per centum of its fair market value in the case of a weighing machine;

(17) Livery and livery boots and hats, 10 per centum;

(18) Hunting and shooting garments and riding habits, 10 per centum;

(19) Articles made of fur on the hide or pelt, or of which any such fur is the component material of chief value, 10 per centum;

(20) Yachts and motor boats not designed for trade, fishing or national defense; and pleasure boats and pleasure canoes if sold for more than \$15, 10 per centum; and

(21) Toilet soaps and toilet soap powders, 3 per centum.

If any manufacturer, producer, or importer of any of the articles enumerated in this section customarily sells such articles both at wholesale and at retail, the tax in the case of any article sold by him at retail shall be computed on the price for which like articles are sold by him at wholesale.

The taxes imposed by this section shall, in the case of any article in respect to which a corresponding tax is imposed by section 600 of the Revenue Act of 1917, be in lieu of such tax.

Sec. 902.

That there shall be levied, assessed, collected, and paid upon sculpture, paintings, statuary, art porcelains, and bronzes, sold by any person other than the artist, a tax equivalent to 10 per centum of the price for which so sold. This section shall not apply to the sale of any such article to an educational institution or public art museum.

Sec. 904.

(a) That on and after May 1, 1919, there shall be levied, assessed, collected, and paid a tax equivalent to 10 per centum of so much of the amount paid for any of the following articles as is in excess of the price hereinafter specified as to each such article, when such article is sold by or for a dealer or his estate on or after such date for consumption or use—

(1) Carpets and rugs, including fiber, except imported and American rugs made principally of wool, on the amount in excess of \$5 per square yard;

(2) Picture frames, on the amount in excess of \$10 each;

(3) Trunks, on the amount in excess of \$50 each;

(4) Valises, traveling bags, suit cases, hat boxes used by travelers, and fitted toilet cases, on the amount in excess of \$25 each;

(5) Purses, pocket-books, shopping and hand bags, on the amount in excess of \$7.50 each;

(6) Portable lighting fixtures, including lamps of all kinds and lamp shades, on the amount in excess of \$25 each;

(7) Umbrellas, parasols, and sun shades, on the amount in excess of \$4 each;

(8) Fans, on the amount in excess of \$1 each;

(9) House or smoking coats or jackets, and bath or lounging robes, on the amount in excess of \$7.50 each;

(10) Men's waistcoats, sold separately from suits, on the amount in excess of \$5 each;

(11) Women's and misses' hats, bonnets, and hoods, on the amount in excess of \$15 each;

(12) Men's and boys' hats, on the amount in excess of \$5 each;

(13) Men's and boys' caps, on the amount in excess of \$2 each;

(14) Men's, women's, misses', and boys' boots, shoes, pumps, and slippers, not including shoes or appliances made to order for any person having a crippled or deformed foot or ankle, on the amount in excess of \$10 per pair;

(15) Men's and boys' neckties and neckwear, on the amount in excess of \$2 each;

(16) Men's and boys' silk stockings or hose, on the amount in excess of \$1 per pair;

(17) Women's and misses' silk stockings or hose, on the amount in excess of \$2 per pair;

(18) Men's shirts, on the amount in excess of \$3 each;

(19) Men's, women's, misses', and boys' pajamas, night gowns, and underwear, on the amount in excess of \$5 each; and

(20) Kimonos, petticoats, and waists, on the amount in excess of \$15 each.

(b) The tax imposed by this section shall not apply (1) to any article enumerated in paragraphs (2) to (8), both inclusive, of subdivision (a), if such article is made of or ornamented, mounted, or fitted with, precious metals or imitations thereof or ivory, or (2) to any article made of fur on the hide or pelt, or of which any such fur is the component material of chief value, or to (3) any article enumerated in subdivision (17) or (18) of section 900.

(c) The taxes imposed by this section shall be paid by the purchaser to the vendor at the time of the sale and shall be collected, returned, and paid to the United States by such vendor in the same manner as provided in section 502.

Sec. 906.

That on and after the 1st day of May, 1919, any person engaged in the business of leasing or licensing for exhibition positive motion-picture films containing pictures ready for projection shall pay monthly an excise tax in respect to carrying on such business equal to 5 per centum of the total rentals earned from each such lease or license during the preceding month. If a person owning such a film exhibits it for profit he shall pay a tax equivalent to 5 per centum of the fair rental or license value of such film at the time and place where and for the period during which exhibited. If any such person has, prior to December 6, 1918, made a bona fide contract with any person for the lease or licensing, after the tax imposed by this section takes effect, of such a film for exhibition for profit, and if such contract does not permit the adding of the whole of the tax imposed by this section to the amount to be paid under such contract, then the lessee or licensee shall, in lieu of the lessor or licensor, pay so much of such tax as is not so permitted to be added to the contract price. The tax imposed by this section shall be in lieu of the tax imposed by subdivision (c) and (d) of section 600 of the Revenue Act of 1917.

DELAWARE.**January 1.**

Domestic and foreign building and loan associations file statement of condition as of December 31 with Insurance Commissioner (Code 1915, Par. 618) as follows:

Every building and loan association, whether existing under the laws of this State or any other State, shall annually on the first day of January in each year, furnish to the Insurance Commissioner of this State a detailed statement of its condition at the close of the fiscal year immediately prior to the first day of January, giving a full detailed statement showing the gross amount of interest, premiums, repayments and dues received and collected by such association for the said fiscal year, and the amount of its earnings and its aggregate assets and liabilities at the close of the said fiscal year, which said statement shall be verified by the oath or affirmation of the president or secretary duly administered by some person authorized by the laws of the State to administer oaths.

Penalty for failure to file this report is a fine of not less than \$100 (Code 1915, Par. 625).

January 1.

Assessments for local taxes completed in New Castle and Sussex counties (Code 1915, Par. 1112).

January 1.

Penalty of one per cent per month added to local taxes of preceding year which remain unpaid (Code 1915, Pars. 1174, 1215, 1220).

January 1 to 31.

Foreign surety companies file statement and certificate with Insurance Commissioner (Code 1915, Par. 630) as follows:

Such company shall also annually, in the month of January, file with the Insurance Commissioner a statement similar to that required by 628, and such further statement as may be by the laws of this State required of such company, in transacting business therein, and shall also furnish him with a certificate from the officer with whom the deposit in 628 is required to be made, describing such securities so deposited and the manner in which they are held by him and stating that he is satisfied that such securities are fully worth the amount so required to be deposited, and also shall furnish the Insurance Commissioner with such information, touching its condition and credit, as he may require, signed and sworn unto as in said 628 provided.

Note: Forms for this statement and certificate, showing in detail what they must contain, may be procured from the Insurance Commissioner.

January 1 to February 15.

Assessments for local taxes in Kent county are made during this period (Code 1915, Par. 1111).

First Tuesday of January.

Charters of corporations which for two years preceding have neglected to pay taxes assessed against them are declared repealed (Code 1915, Pars. 74, 75) as follows:

If any corporation created after the tenth day of March, A. D. 1899, shall for two consecutive years neglect or refuse to pay the State any tax or taxes which has or have been or shall be assessed against it, or which it is required to pay, under any law of this State and made payable into the State Treasury, the charter of such corporation shall be void, and all powers conferred by law upon such corporation are declared inoperative and void, unless the Governor shall for good cause shown to him, give further time for the payment of such tax or taxes, in which case a certificate thereof shall be filed by the Governor in the office of the State Treasurer, stating the reasons therefor.

On or before the first Tuesday of January in each year, the State Treasurer shall report to the Governor a list of all the corporations or companies which for two years next preceding such report have failed, neglected or refused to pay the taxes assessed against them or due by them, under the law of this State, and the Governor shall forthwith issue his proclamation, declaring that the charters of these corporations are repealed.

First Tuesday of January.

Domestic business corporations other than banking corporations file annual report with Secretary of State (Code 1915, Par. 103) as follows:

Annually on or before the first Tuesday in January, it shall be the duty of the President, Treasurer or other proper officer, or any two directors, of any corporation now existing or hereafter to be incorporated under the provisions of the laws of this State of the character specified in the preceding section, to make report to the Secretary of State, stating specifically (with the degree of particularity required by Paragraph 2, Section 1919, being Section 5 of Chapter 65 of the Revised Code of the State of Delaware), the location of its principal office in this State, and the name of the agent upon whom service of process against said corporation may be served, the location or locations (town or towns, city or cities, street or streets and number, if number there be) of the place or places of business of said corporation without this State; the names and addresses of all the directors and officers of the company and when the terms of each expire; the amount of its authorized capital stock, if any, and the amount actually issued; the date appointed for the next annual meeting of the stockholders for the election of directors; as well also the following particulars, namely: Each telegraph, telephone, cable or express company, not owned by a railroad company and not otherwise taxed, shall state the gross amount of its receipts from business done in this State for the year preceding the making of such report; each gas company and electric light company shall state the amount of its receipts for light or power supplied within this State for the year preceding the making of such report, and the amount of dividends declared or paid during the same time; each company organized for the distribution of heat or

power or organized for the purpose of producing or distributing steam, heat or power, shall state the amount of its receipts for the distribution of heat or power, or for the production or distribution of steam, heat or power within this State for the year preceeding the making of such report, and the amount of dividends declared or paid during the same time; each parlor, palace or sleeping car company shall state the gross amount of its receipts for fare or tolls for transportation of passengers within the State during the same time; each oil or pipe line company engaged in the transportation of oil or crude petroleum shall state the gross amount of its receipts from the transportation of oil or petroleum through its pipes or in and by its tanks or cars in this State during the same time; each fire, marine, live stock, casualty or accident insurance company shall state the total amount of premiums received by it for insurance upon the lives of persons resident or property, located within this State during the same time; each life insurance company shall state the total amount of premiums received by it for insurance upon the lives of persons resident within this State, during the same time.

Every other corporation shall file with the Secretary of State on or before the first Tuesday in January in each year an annual report which shall state (with the degree of particularity required by Paragraph 2, Section 1919, being Section 5 of Chapter 65 of the Revised Code of the State of Delaware), the location of its principal office in this State, and the name of the agent upon whom service of process against said company may be served; the location or locations (town or towns, city or cities, stating the streets and numbers, if numbers there be) of the place or places of business of said company without this State; the names and addresses of all the directors and officers of the company, and when the terms of each expire; the date appointed for the next annual meeting of stockholders for the election of directors; the amount of its authorized capital, the amount actually issued, the amount invested in real estate, the tax annually thereon, and the amount invested in manufacturing or mining in this State, or both; and, if exempt from taxation under the provisions of sections 68, 72 and 83 of this Chapter, the specific facts entitling such corporation to exemption from taxation aforesaid, provided, that no part of this section shall apply to corporations which are by law under the supervision of the Insurance Commissioner.

Penalties for Failure to File.

If such report is not so made and so filed the corporation shall forfeit to the State the sum of two hundred dollars, to be recovered with costs in an action of debt, to be prosecuted by the Attorney General, who shall prosecute such actions whenever it shall appear that this section has been violated; and provided further, if such report shall not be so made and filed, all the directors of any such corporation, who shall wilfully refuse to comply with the provisions thereof and who shall be in office during the default, shall at the time appointed for the next election, and for a period of one year thereafter, be thereby rendered ineligible for election or appointment to any office in the company as directors or otherwise; no director shall be thus disqualified for the failure to make and file such report, if he shall file with the Secretary of State before the time appointed for holding the next election of directors after such default a certificate stating that he has endeavored to have such report made and filed, but that the officers have neglected to make and file the same, and shall report the items required to be stated in such annual report so far as they are within his knowledge, or are obtainable from sources of such information open to him, verified by him to be true to the best of his knowledge, information and belief; the Secretary of State shall upon application furnish blanks in proper form and shall safely keep in his office all such reports, which shall be open to the inspection of all persons at proper hours.

In case any such corporation shall fail to file such report within the time required by this section, and in case the agent in charge of the principal office of such company upon whom process against such company may be served shall die, or shall resign, or shall remove from the State, or such agent cannot with due diligence be found, it shall be lawful while such default continues, to serve process against such corporation upon the Secretary of State, and such service shall be as effectual to all intents and purposes as if made upon the president or head officers of such corporation, and within two days after such service upon the Secretary of State as aforesaid, it shall be the duty of the Secretary of State to notify such corporation thereof by letter directed to such corporation at its registered office, in which letter shall be enclosed a copy of the process or other paper served; and it shall be the duty of the

plaintiff in any action in which said process shall be issued to pay to the Secretary of State, for the use of the State, the sum of three dollars, which said sum shall be taxed as a part of the costs in said suit if the plaintiff shall prevail therein; the Secretary of State shall keep a book to be called the "process book," in which shall be entered alphabetically, by the name of the plaintiff and defendant therein, the title of all causes in which processes have been served upon him, the test of the process so served, the return day thereof, and the day and hour when the service was made.

All companies incorporated under the General Corporation Law of this State, accepting the provisions of the Constitution of Delaware and coming under the supervision of said law, shall file an annual report with the Secretary of State as hereinbefore provided in this section, provided further, however, that in the discretion of the Secretary of State the filing fee may be remitted in the case of a charitable or beneficial organization, carried on without profit, or a corporation that is required to file a report with the Insurance Commissioner for which a fee is collected.

January 10.

Announcement of the time and place of hearings to revise local assessments in New Castle and Sussex counties is made on or before this date (Code 1915, Par. 1113) and assessment lists are posted in said counties (Same, Par. 1112).

Last Tuesday of January.

Board of Revision sits to revise local assessments in New Castle and Sussex counties (Code 1915, Par. 1113).

MAINE.**January 1 to 31.**

Agents licensed to do business with foreign fire insurance companies which are not authorized to do business in Maine file with Treasurer of State a sworn statement of gross premiums charged for insurance procured or placed and gross returned premiums on such insurance cancelled under such license during the preceding calendar year, and at the same time pay into the state treasury 2% of such gross premiums less such returned premiums (Rev. Stats. 1916, Chap. 53, Sec. 125).

January 31.

By this date all insurance companies render statement of condition to Insurance Commissioner as of December 31 preceding (Rev. Stats. 1916, Chap. 53, Sec. 91) as follows:

Every insurance company, doing business in the state, shall annually, by the thirty-first day of January, render to the commissioner either an exact statement, under oath, of its condition as it existed on the thirty-first day of the previous December, or its last exhibit, setting forth its condition as required by blanks furnished by the commissioner, and any company, association or society which neglects or refuses to comply with the provisions of this section, or to file its premium tax return, or to pay the tax for which it shall be liable, as required by the laws of this state, forfeits five dollars a day for each day's neglect, provided, that for good cause shown, the commissioner may extend the time within which the statement required by this section may be filed, to a date not later than the fifteenth day of February.

Note: Domestic life insurance companies include in their report of condition a statement of the amount of

premiums liable to taxation (Rev. Stats. 1916, Chap. 9, Secs. 47, 48).

January 31.

The representative or agent of individuals, firms or corporations which make contracts providing indemnity among themselves from casualty or from loss or damage to their own property, file financial statement with Insurance Commissioner (Rev. Stats. 1916, Chap. 53, Secs. 95, 99).

January 31.

Corporations doing an insurance business on the assessment plan return to Insurance Commissioner a statement of their affairs for the preceding calendar year (Rev. Stats. 1916, Chap. 53, Sec. 171).

January 31.

On or before this date foreign insurance companies of all classes except certain fire companies make premium tax return to Insurance Commissioner (Rev. Stats. 1916, Chap. 9, Sec. 51) as follows:

Every company or association which by the two preceding sections is required to pay a tax, shall, on or before the thirty-first day of each January, make a return under oath to the Insurance Commissioner, stating the amount of all premiums received by said company, either in cash or notes absolutely payable, during the year ending on the thirty-first day of December previous, the amount of return premiums on policies canceled during the year, the amount of all premiums paid to or received from other companies during the year for insurance or reinsurance of risks in this state, the names of the companies with which such insurance or reinsurance was effected; the amounts of the policies and the premiums on the same.

January 31.

Certain foreign fire insurance companies make return under Rev. Stats. 1916, Chap. 9, Sec. 52, as follows:

Mutual fire insurance companies incorporated under the laws of other states, which insure only factories, or mills, or property connected with such factories or mills, admitted to do business in this state shall comply with all the requirements of law except that in lieu of all other taxation upon premiums in this state; such companies shall annually pay a tax at the rate of two per cent on gross premiums in force on risks in this state, after deducting the unabsorbed portion of such premium, computed at the rate of return actually made on annual policies expiring during the year by said insurance companies. Such companies shall, on or before the thirty-first day of each January, make a return, under oath, to the insurance commissioner, showing the gross premiums in force on risks in this state on the thirty-first day of December previous and the unabsorbed portion of such premiums computed at the rate of return actually made on annual policies expiring during the year, by said insurance companies.

MASSACHUSETTS.**January 1 to 31.**

Persons or corporations licensed to do business with unauthorized foreign fire insurance companies file with treasurer and receiver general a sworn statement of gross premiums charged and gross return premiums cancelled on such insurance during preceding calendar year and at the same time pay tax of 4% thereon (Laws 1907, Chap. 576, Sec. 88). Penalty for failure to do so is loss of license, fine of from \$100 to \$500, or imprisonment up to one year (Same, Sec. 108).

January 1 to 31.

All domestic and foreign insurance companies, except life companies and fraternal benefit associations, make a return to the Tax Commissioner of the premiums collected upon Massachusetts business during the preceding calendar year (Laws 1909, Chap. 490, Part III, Sec. 34) as follows:

Every company liable to taxation under the provisions of sections twenty-eight and thirty-two shall annually, during the month of January, make a return to the tax commissioner, signed and sworn to by its secretary or other officer having knowledge of the facts, stating the amount insured by said company, the premiums received, and the assessments collected by it during the year ending on the preceding thirty-first day of December. Every foreign company, association or partnership, including associations formed upon the plan known as Lloyds, authorized to do business in the commonwealth, shall annually, during the month of January, make a return to the tax commissioner, in such form as he shall prescribe, signed and sworn to by its secretary, manager or other officer having knowledge of the facts, of the amount insured by it upon property or interests in this commonwealth, and the

premiums and assessments upon such insurance charged on contracts made by it or its agents in this commonwealth during the year ending on the preceding thirty-first day of December. For cause, the tax commissioner may extend the time within which any such statement may be filed, but not to a date later than the first day of March. Such returns shall state the whole amount of premiums charged by or in behalf of said company, association or partnership, either in cash or in notes absolutely payable, the amount claimed as a deduction therefrom under any of the provisions of this part, and also the classes of deductions and the amount of each class: provided, however, that the first return to be made after the passage of this act shall be made not later than the thirtieth day of September, in the year nineteen hundred and seventeen, and shall include the statements required by this section for the three months beginning with the first day of October, in the year nineteen hundred and sixteen, and ending on the thirty-first day of December, in the year nineteen hundred and sixteen; and thereafter returns shall be made in the month of January for the year ending on the preceding thirty-first day of December.

January 1 to March 1.

Corporations acting as trustee file with Tax Commissioner a return of income received in that capacity during the preceding calendar year (Laws 1916, Chap. 269, Secs. 9, 12, as amended) as follows:

Sec. 9.

Foreign and domestic corporations acting as trustee or in any other fiduciary capacity shall, with respect to the income received by them in that capacity, be subject to the provisions of this act in the same manner and under the same conditions as individual inhabitants of this commonwealth acting in similar capacities, except that no such corporation shall be taxed on account of any property the income of which would be taxable under section two hereof if received by an individual inhabitant, or on account of the income derived from such property, if such property is held by such corporation as mortgagee or pledgee to secure the pay-

ment of bonds, notes or other evidences of indebtedness the interest on which is taxable under section two of this act to such individual inhabitants of the commonwealth as receive it, or the principal of which is exempt from taxation under laws other than this act.

The provisions of this act with reference to the taxation of income received by trustees shall, so far as apt, apply to the income received by guardians, conservators, trustees in bankruptcy, receivers and assignees for the benefit of creditors. Income accumulated in trust for the benefit of unborn or unascertained persons or persons with contingent interests shall be taxed as if accumulated for the benefit of inhabitants of this commonwealth.

For the purpose of facilitating the settlement and distribution of estates held by executors, administrators, trustees, guardians, conservators, trustees in bankruptcy, receivers and assignees for the benefit of creditors, the tax commissioner, with the approval of the attorney-general, may on behalf of the commonwealth agree upon the amount of taxes at any time due or to become due from such estates under the provisions of this act, and payment in accordance with such agreement shall be full satisfaction of the taxes to which the agreement relates.

Sec. 12.

Every individual inhabitant of the commonwealth, including every partnership, association or trust, whose annual income from all sources exceeds two thousand dollars shall annually make a return of his entire income, except income derived (a) from real estate, (b) from dividends exempt from taxation under section two of this act, (c) from interest upon bonds or other obligations of the United States, (d) from interest upon such bonds, notes and certificates of indebtedness of the commonwealth and political subdivisions thereof as are exempt from taxation under the provisions of clause fifteen of section five of Part I of chapter four hundred and ninety of the acts of the year nineteen hundred and nine, and acts in amendment thereof and in addition thereto, (e) from loans secured exclusively by mortgages of real estate, taxable as real estate, situated within the commonwealth to an amount not exceeding the assessed value of the mortgaged real estate, and (f) from wages or salaries received from the United States. Every

other individual inhabitant, including every partnership, association or trust, who receives income taxable under section two or subdivision (a) or (c) of section five of this act shall make an annual return of such taxable income.

Every executor, administrator, trustee, guardian, conservator, trustee in bankruptcy, assignee for the benefit of creditors and receiver, other than a receiver of a corporation organized under the laws of the commonwealth, and every other person receiving income taxable under this act shall make an annual return of his taxable income as herein provided.

The aforesaid return shall be under oath, and shall be filed with the income tax assessor for the district in which the taxpayer resides or has his principal place of business or, at the option of the taxpayer, may be filed with the tax commissioner, and shall be made in such form as the tax commissioner shall from time to time prescribe and shall contain such further information as the tax commissioner may deem pertinent. The return shall be made on or before the first day of March in each year, and shall relate to the income received during the calendar year ending on the preceding thirty-first day of December.

January 1 to March 1.

Foreign and domestic corporations file returns with Tax Commissioner for preceding calendar year as follows: (1) employees receiving more than \$1800; (2) names of stockholders; (3) persons to whom interest on bonds and notes or annuities were paid (Laws 1916, Chap. 269, Sec. 25 as amended) as follows:

Every employer, being an inhabitant of the commonwealth or having a place of business therein, shall file annually with the tax commissioner a return in such form as he shall from time to time prescribe, giving the names and addresses of all regular employees residing in this commonwealth to whom the said employer has paid wages, salary or other compensation in excess of the sum of eighteen hundred dollars during the previous calendar year.

Every corporation and every partnership, association or trust the beneficial interest in which is represented by transferable shares, doing business in the commonwealth, shall, unless the dividends paid upon its shares are exempt from taxation under

section two of this act, annually file with the tax commissioner a list of the names and addresses of its shareholders, together with the number and class of shares held by each shareholder and the rate of dividends paid on each class of stock for the preceding calendar year, as of record on the thirty-first day of December of the previous year, or on any other date satisfactory to the commissioner, or, in its discretion, of such shareholders as are residents of the commonwealth. Every corporation, partnership, association or trust, doing business in the commonwealth shall report annually to the tax commissioner in such form as he shall prescribe the names and addresses of residents of the commonwealth to whom it has paid interest during the preceding calendar year upon its bonds, notes, or other evidences of indebtedness, and to whom it has paid any annuity or annuities, except, however, interest coupons payable to bearer, and income exempt from taxation under this act. In any individual case, any such corporation, partnership, association or trust shall, upon request of the tax commissioner, state the respective amounts of dividends, interest and annuities so paid by it to any person during any calendar year.

The returns provided by this section shall be made on or before the first day of March in each year; but the tax commissioner may, in his discretion, authorize them to be made at any other date and in connection with any other reports or returns that the said individuals, partnerships, associations, trusts and corporations may be required to file with him.

Any individual, partnership, association, trust or corporation that without reasonable excuse fails to comply with the provisions of this section shall be punished by a fine of not less than twenty-five nor more than five hundred dollars for each offence.

January 15.

All domestic and foreign insurance companies file with Insurance Commissioner a statement of financial condition on December 31 preceding and of their business for the previous calendar year. The time of filing may, however, be extended not later than March 1, and life insurance companies need not file their "Gain and Loss Exhibit" until May 1 (Laws 1907, Chap. 576,

Sec. 101). Penalty for failure to file is fine of \$100 for each day during which such neglect continues and prohibition against doing new business (Same, Sec. 110).

January 15.

Title insurance companies file a statement with the Insurance Commissioner identical with the preceding, and subject to the same penalties for failure (Laws 1907, Chap. 576, Sec. 63).

NEW JERSEY.**January 1. ✓**

✓ Franchise tax reports due the first Tuesday of May are made as of this date (Laws 1896, Chap. 185, Sec. 136).

For text see entry under May.

January 1.

Tax on bank stock is a lien on such stock from this date (Laws 1918, Chap. 265, Sec. 7) as follows:

The shares of stock of every bank, banking association and trust company shall be assessed against the stockholders in the taxing district within which the principal place of business of such bank, banking association or trust company is located, and the tax assessed against such stockholders shall be a lien upon their stock . . . from the first day of January in each year, and said stock may be levied upon and sold by the collector on default of payment, and moreover, it shall be the duty of said bank, banking association and trust company to pay said tax assessed against such shareholders on demand, and said bank, banking association or trust company shall have a lien upon the shares for such payment and may retain the amount so paid out of the dividends that may be declared on such shares.

January 1 to 31. ✓

✓ Dividends must be declared during this month unless otherwise provided by corporate charter or by-laws (Laws 1896, Chap. 185, Sec. 47, as amended) as follows:

Unless otherwise provided in the original or amended certificate of incorporation, or in a by-law adopted by a vote of at least a majority of the stockholders, the directors of every corporation

created under this act shall, in January in each year, after reserving over and above its capital stock paid in, as a working capital for said corporation, such sum, if any, as shall have been fixed by the stockholders, declare a dividend among its stockholders of the whole of its accumulated profits exceeding the amount so reserved, and pay the same to such stockholders on demand.

First Monday of January.

Comptroller reports to Governor names of corporations which for two years have failed to pay franchise tax, and Governor issues proclamation declaring their charters repealed (Laws 1896, Chap. 185, Sec. 142, as amended) as follows:

On or before the first Monday in January in each year the comptroller shall report to the governor a list of all corporations which for two years next preceding such report have failed, neglected or refused to pay the taxes assessed against them under any law of this state as above, and the governor shall forthwith issue his proclamation, declaring under this act of the legislature that the charters of these corporations are repealed, and all powers conferred by law upon such corporations shall thereafter be deemed inoperative and void.

January 10. ✓

✓ Assessments of real and personal property completed and assessment lists filed (General Tax Act, Revision of 1918, Sec. 501) as follows:

The assessor shall begin the work of making assessments upon real and personal property upon the first day of October in each year and shall complete the same by the tenth day of January following, on which date he shall attend before the county board of taxation and file with said board his complete assessment list, and a true copy thereof, to be called the assessor's duplicate, properly made up and legibly written in ink, to be by said board examined, revised and corrected as hereinafter provided.

January 10. ✓

✓ At some period before this date an opportunity is given to taxpayers to inspect the assessment lists (General Tax Act, Revision of 1918, Sec. 502), as follows:

It shall be the duty of every assessor, before filing the complete assessment list and duplicate with the county board of taxation, and before annexing thereto his affidavit as required in section five hundred and one of this article, to give public notice by advertisement in at least one newspaper circulating within his taxing district of a time and place, when and where the assessment list may be inspected by any taxpayer for the purpose of enabling such taxpayer to ascertain what assessments have been made against him or his property and to confer informally with the assessor as to the correctness of the assessments, to the end that any errors may be corrected before the filing of the assessment list and duplicate.

January 10.

State and national banks and trust companies file statement as of January 1 with Board of Taxation and duplicate thereof with Commissioner of Banking and Insurance (Laws 1918, Chap. 265, Sec. 3) as follows:

For purposes of assessment, the chief fiscal officer of every bank, banking association and trust company, organized under the authority of this State, or of the United States, whose principal place of business is located within this State, shall, on or before the first day of July, in the year one thousand nine hundred and eighteen, and on or before the tenth day of January in each year thereafter, file with the secretary of the board of taxation of the county within which its principal place of business is located, a true statement, under the oath of the president or the cashier, or the treasurer of the same, setting forth its name and principal place of business, the names, residences and total number of its stockholders, and the number of shares held by each, the amount of capital, surplus and undivided profits, as the same are indicated by the books of the company upon the twentieth day of May, in the year one thousand nine hundred and eighteen, and thereafter

on the first day of January of the year in and for which such statement is filed, and the assessed value of its real property. A duplicate of this statement shall be filed, at the same time, with the Commissioner of Banking and Insurance, to remain in his office as a public record. There shall, in addition to such report, be kept at the principal place of business of every such bank, banking association or trust company, a full and correct list of the names and residences of all stockholders therein, and of the number of shares held by each, which said lists shall be subject to the inspection of the board of taxation of the county within which said bank, banking association or trust company maintains its principal place of business, at all times during business hours.

Penalty for failure to file above report (Laws 1918, Chap. 265, Sec. 9) as follows:

In case of neglect, refusal or failure on the part of any bank, banking association or trust company to comply with the provisions of this act, with reference to the filing of the statements herein required to be made, on or before the time herein provided for the filing of the same, or to submit to the inspection of any officer or agent of the county board of taxation the list or statement herein required to be kept in the office of such company, and submitted to inspection, the company so neglecting, refusing or failing shall be liable to a penalty of one hundred dollars, and an additional sum of ten dollars for each day during which such neglect, refusal or failure continues.

Note: The foregoing report is not required from savings banks (Laws 1918, Chap. 265, Sec. 93).

Second Tuesday of January.

The annual meetings of stockholders of banks and trust companies must be held at the principal place of business of such banks or trust companies (Laws 1899, Chap. 173, Sec. 9; Chap. 174, Sec. 12).

Notice of such annual meeting shall be published at least ten days before the date of the meeting in a newspaper published in the place where the principal place of business of the trust com-

pany is located; or if there is no newspaper published at such place, then in one published at the place nearest thereto in the same county.

January 15.

Last day for fire insurance companies to file semi-annual list of brokers (Laws 1911, Chap. 278, Sec. 110) as follows:

Hereafter every fire insurance company doing business in this State and each agent thereof shall file with the commissioner of banking and insurance, within fifteen days after the thirtieth day of June and the thirty-first day of December of each year, a sworn statement, on blanks furnished by said commissioner, setting forth the names and addresses of all brokers who have done business through said companies or agents during the preceding six months.

January 15.

Tax on bank stock determined and levied by County Boards of Taxation (Laws 1918, Chap. 265, Sec. 6).

January 31.

Last day for savings banks to make report to Commissioner of Banking and Insurance (Laws 1906, Chap. 195, Secs. 43 to 46, 48) as follows:

Sec. 43.

Every savings bank shall, on or before the thirty-first day of January in each year, make a report in writing to the Commissioner of Banking and Insurance and in such form as the said commissioner shall prescribe, of its condition at the close of business on the thirty-first day of December preceding such report.

Sec. 44.

Such report shall state the amount loaned upon bond and mortgage, together with a list of all bonds and mortgages upon which

the interest has been in arrears for six months; the book, par and market value of all investments, designating each particular kind of security; the amount loaned upon the pledge of securities, with a statement of such securities; the amount invested in real estate, giving the cost and market value of the same; the amount of cash on hand and on deposit in banks or trust companies, with the names of such banks and trust companies and the amounts deposited in each, and such other reasonable information as the commissioner of banking and insurance may require.

Sec. 45.

Such report shall also state all the liabilities of such savings banks on the said thirty-first day of December, the amount due to depositors, which shall include any dividend to be credited to them for any interest period ending on the day of said report, and any other debts or claims against the bank which are or may be a charge upon its assets; such report shall also state the amount deposited during the twelve months previous, and the amount withdrawn during the same period; the whole amount of interest or profits received or earned, and the amount of dividends credited to depositors; the number of accounts opened or re-opened, the number closed during that period, and the number of open accounts at the end of that period, and such other reasonable information as may be required by the commissioner of banking and insurance.

Sec. 46.

Such report shall be verified by the oath or affirmation of the two principal officers of the bank, and the statement of assets shall be verified by the oath or affirmation of a majority of the committee of managers who examined the same, pursuant to the requirements of section forty-two; and any wilful false swearing in regard to such reports, or in regard to any reports made to the commissioner of banking and insurance, pursuant to the provisions of this act, shall be deemed perjury, and shall be subject to the prosecutions and punishments prescribed by law for that offense.

(For provisions of Section 42, see entry under December.)

Sec. 48.

If any savings bank shall fail to furnish to the commissioner of banking and insurance any annual or special report or statement required by this act within the time so required, the managers of such bank shall personally forfeit the sum of one hundred dollars per day for every day such report or statement shall be so delayed or withheld; and the said commissioner may maintain an action against such managers jointly in his name to recover such penalty, and when collected, the same shall be paid into the treasury of this State; but the said commissioner may, for sufficient cause shown, extend the time for making any such report, not exceeding thirty days.

The fee for filing this report is \$20.00 (Laws 1906, Chap. 195, Sec. 53).

January 31.

All insurance companies file statement with Department of Banking and Insurance as of December 31 preceeding (Laws 1902, Chap. 134, Sec. 70), as follows:

Every insurance company transacting business in this state shall annually, on or before the thirty-first day of January, file in the department of banking and insurance a statement, subscribed and sworn to by its president and secretary, or, in their absence, by two of its principal officers, showing its financial condition at the close of business on the thirty-first day of December of the year last preceeding, and its business for that year, which statement shall be in such form and contain such matters as the commissioner of banking and insurance shall prescribe; said commissioner may also address any inquiries to any such company or its officers in relation to its condition or affairs, or any matter connected with its transactions, and it shall be the duty of the officers of such company to promptly reply in writing to all such inquiries; for good cause shown the commissioner may extend the time within which any such statement may be filed; the annual statement of a company of a foreign country shall embrace only its business and condition in the United States, and shall be subscribed and sworn to by its resident manager or principal representative in charge of its American business.

Penalty for neglect to file foregoing statement.

Any such company that neglects to make and file its annual statement in the form and within the time provided by the last preceding section shall forfeit one hundred dollars for each day's neglect, and upon notice by the Commissioner of Banking and Insurance to that effect its authority to do new business in this state shall cease while such default continues (Laws 1902, Chap. 134, Sec. 71).

(But see entry under June 30.)

NEW YORK.**January 1.**

On or before this date trustees of savings banks make semi-annual examination of its affairs (Banking Law, Sec. 272) as follows:

The trustees of every savings bank, by a committee of not less than three of their number, on or before the first days of January and July in each year, shall thoroughly examine the books, vouchers and assets of such savings bank, and its affairs generally. The statement or schedule of assets and liabilities reported to the superintendent of banks for the first of January and July in each year, as provided in the section next following, shall be based upon such examinations, and shall be verified by the oath of a majority of the trustees making it; and the trustees of any savings bank may require such examination at such other times as they shall prescribe. The trustees shall, as often as once in each six months during each year, cause to be taken an accurate balance of their depositors' ledgers, and in their said semi-annual report to the superintendent they shall state the fact that such balance has been taken, and the discrepancies, if any, existing between the amount due depositors, as shown by such balance, and the amount so due as shown by the general ledger.

(For text of next section—Sec. 273—see entry under February 1, page 63.)

January 1.

Penalty of 12% added to unpaid general property taxes of preceding year in Westchester county (Laws 1916, Chap. 105, Secs. 15, 18.)

January 1.

In New York City water charges for the succeeding year are due and payable, and become a lien on the

real estate affected (N. Y. City Charter, Sec. 476 as amended by Laws 1916, Chap. 502) as follows:

Uniform annual charges and extra and miscellaneous charges for water not metered and annual service charges and minimum charges shall be due and payable in advance on the first day of January in each year, if entered; and if not paid to or received by the department before the close of the last business day of the following March, shall be subject to a penalty of five per centum, and if not paid to or received by the department before the close of the last business day of the following June to a further penalty of ten per centum. If not so entered and payable, but entered in any quarter of a year, they shall be due and payable when entered and shall, after the mailing before or upon the close of such quarter of notice thereof to the premises against which they are imposed addressed to "owner or occupant" be subject, if not paid to or received by the department before the close of the last business day of the next quarter, to a penalty of five per centum and, if not paid to or received by the department before the close of the last business day of the next succeeding quarter to a further penalty of ten per centum. All charges for meters and their connections and for their setting, repair and maintenance, unless such charges shall be borne by the department, and all charges in accordance with meter rates for supply of water measured by meter shall be due and payable when entered, and such charges when entered in any quarter of a year shall, after the mailing before or upon the close of such quarter of notice stating the amount due and the nature of the charge to the last known address of the person whose name appears on the record of such charges as being the owner, occupant or agent or, where no name appears, to the premises addressed to "owner or occupant" be subject, if not paid to or received by the department before the close of the last business day of the next quarter, to a penalty of five per centum and if not paid to or received by the department before the close of the last business day of the next succeeding quarter to a further penalty of ten per centum.

January 1.

Income tax payable by domestic and foreign business corporations (Tax Law, Sec. 219c) as follows:

The tax hereby imposed shall be paid to the state comptroller on or before the first day of January of each year, or within thirty days after notice of the tax has been given as provided in section two hundred and nineteen-b of this chapter if such notice is given subsequent to the first day of December of the year for which such tax is imposed. If such tax be not so paid, or in the case of additional taxes, if not paid within thirty days after notice of such additional tax has been given as provided in section two hundred and nineteen-d of this chapter and such notice of additional tax is given subsequent to the first day of December of the year for which such additional tax is imposed, the corporation liable to such tax shall pay to the state comptroller, in addition to the amount of such tax, or additional tax, ten per centum of such amount, plus one per centum for each month the tax or additional tax remains unpaid. Each such tax or additional tax shall be a lien upon and binding upon the real and personal property of the corporation liable to pay the same from the time when it is payable until the same is paid in full.

January 1.

Action may be brought by attorney-general to dissolve corporations which have failed to pay income tax for preceding year (Tax Law, Sec. 219f) as follows:

Action may be brought at any time by the attorney-general at the instance of the comptroller, in the name of the state, to recover the amount of any taxes, penalties and interest due under this article. If such taxes be not paid within one year after the same be due, and the comptroller is satisfied that the failure to pay the same is intentional he shall so report to the attorney-general, who shall immediately bring an action in the name of the people of the state, for the forfeiture of the charter or franchise of any corporation failing to make such payment, and if it be found that such failure was intentional, judgment shall be rendered in each action for the forfeiture of such charter and for its dissolution if a domestic corporation and if a foreign corporation for the annulment of its franchise to do business in this state.

January 1.

Receivers of banking corporations file report with Superintendent of Banks (Gen. Corp. Law, Sec. 248) as follows:

All receivers of insolvent corporation who are required by law to make and file reports of their proceedings shall at the time of making and filing such reports, serve a copy thereof upon the attorney-general of this state, and receivers of such corporations as report to, and are under the supervision of, the banking department shall on the first day of January and July of each year, during the continuance of their respective trusts, file with the superintendent of banks a report, verified by oath, in such form as the superintendent may prescribe, showing the condition of their respective trusts. In case any receiver of an insolvent corporation shall neglect to make and file a report of his proceedings for thirty days after the time he is required by law to make and file such report, or shall neglect for the same length of time to serve a copy thereof on the attorney-general, as required by this section the attorney-general may make a motion in the supreme court for an order to compel the making and filing and serving a copy on him of such report, or for the removal of such receiver from his office.

January 1.

Public adjuster corporations must apply to Superintendent of Insurance for renewal of license before this date (Insurance Law, Sec. 138a as amended by Laws 1914, Chap. 108) as follows:

Every adjuster's certificate of authority shall expire on the thirty-first day of December of the calendar year in which the same shall have been issued, but if an application for the renewal of any such certificate shall have been filed with the superintendent of insurance before January first of any year the certificate of authority sought to be renewed shall continue in full force and effect until the issuance by the superintendent of insurance of the new certificate applied for or until five days after the superintendent of insurance shall have refused to issue such new certifi-

cate and shall have served notice of such refusal on the applicant therefor. Service of such notice may be made either personally or by mail, and if by mail, shall be deemed complete if such notice is deposited in the post office, postage prepaid, directed to the applicant at the place of business specified in the application.

Before any adjuster's certificate of authority shall be issued by the superintendent of insurance there must be filed in his office a written application therefor. Such application shall be in the form or forms and supplements thereof prescribed by the superintendent of insurance and must set forth (1) the name and address of the applicant, and if the applicant be a partnership or association, the name and address of each member thereof, and if the applicant be a corporation, the name and address of each of its officers and directors; (2) whether any certificate of authority as agent, broker or adjuster has been issued theretofore by the superintendent of insurance to the applicant, and, if the applicant be an individual, whether any such certificate has been issued theretofore to any partnership or association of which he was or is a member or to any corporation of which he was or is an officer or director, and, if the applicant be a partnership or association, whether any such certificate has been issued theretofore to any member thereof, and, if the applicant be a corporation, whether any such certificate has been issued theretofore to any officer or director of such corporation; (3) the business in which the applicant has been engaged for the year next preceding the date of the application, and, if employed by another, the name or names and address or addresses of such employer or employers; (4) such information as the superintendent of insurance may require of applicants to enable him to determine their trustworthiness and competency to transact the business of adjuster in such manner as to safeguard the interests of the public.

An application for an adjuster's certificate of authority must be signed and verified by the applicant and, if made by a partnership or association, by each member thereof and if made by a corporation by each officer and director thereof to be authorized thereby to act as an adjuster.

A corporation, association or partnership to which a certificate of authority shall have been issued by the superintendent of insurance under this section may at any time make an application to the superintendent of insurance for the issuance of a supple-

mental certificate of authority authorizing additional officers or directors of the corporation or members of the partnership or association to act as adjusters, and the superintendent of insurance may thereupon issue to such corporation, association or partnership a supplemental certificate accordingly upon the payment of an additional fee for each member or officer or director thereby authorized to act as an adjuster.

January 1.

Agents for health and accident insurance companies must apply to Superintendent of Insurance for renewal of certificate of authority before this date (Insurance Law, Sec. 91a as amended by Laws 1914, Chap. 14, sub. 1) as follows:

No corporation transacting the business of health and accident insurance within this state, or agent thereof, shall pay any commission or other compensation to any person, partnership, association or corporation, except to a broker duly authorized under the provisions of section one hundred and forty-three of this chapter, for services in obtaining new insurance or in collecting premiums from policyholders in this state, unless such person, partnership, association or corporation shall have first procured from the superintendent of insurance a certificate of authority to act as an agent of such corporation as hereinafter provided. No person, partnership, association or corporation shall act as agent in the solicitation or procurement in this state of applications for health and accident insurance or in the collection of premiums for such insurance, or receive for such services any commission or other compensation from any corporation transacting the business of health and accident insurance in this state, or agent thereof, without first procuring a certificate of authority so to act from the superintendent of insurance which must be renewed annually.

Before any agent's certificate of authority shall be issued by the superintendent of insurance pursuant to this section, there shall be filed in his office: (1) A written application by the person, partnership, association or corporation desiring such authority which shall be in the form or forms and supplements thereof prescribed by the superintendent of insurance and contain such information as he may require. (2) A certificate by

the corporation desiring to employ the applicant as agent, duly verified by one of its executive officers or managing agents, that such corporation has duly investigated the character and record of the applicant and has satisfied itself that he is trustworthy and competent to act as its agent. The superintendent of insurance may refuse to issue or renew and may revoke any such certificate for cause, which shall include violations of the insurance law and fraudulent practices, provided that no such action shall be taken without an investigation and a hearing either before the superintendent or before a salaried employee of the insurance department designated for that purpose, whose report the superintendent may adopt. Every such corporation shall, upon the termination of the employment of any agent for the solicitation of health and accident insurance in this state or the collection of premiums therefor, forthwith file with the superintendent of insurance a statement of the facts relative to the employment of such agent and the termination of such employment and the cause thereof.

Every such certificate shall expire upon the termination of the employment of the agent by the corporation for which he is authorized to act as agent, or in any event, on the thirty-first day of December of the calendar year in which the same shall have been issued, provided, however, if an application for the renewal of any such certificate shall have been filed with the superintendent of insurance before January first of any year, such agent may continue to act as such under such expired certificate until the issuance to him by the superintendent of insurance of a new certificate or until five days after the superintendent of insurance shall have refused to issue such certificate and shall have served notice of such refusal on such agent. Service of such notice may be made either personally or by mail, and, if by mail, shall be deemed complete if such notice is deposited in the post-office, postage prepaid, directed to the applicant at the place of residence or business specified in his application.

January 1 to 31.

Domestic and foreign business corporations report to Secretary of State (Stock Corp. Law, Sec. 34) as follows:

Every domestic stock corporation and every foreign stock corporation doing business within this state, except moneyed and railroad corporations, shall annually, during the month of January, or, if doing business without the United States, before the first day of May, may make a report as of the first day of January, which will state:

1. The amount of its capital stock and the proportion actually issued.

2. The amount of its debts or an amount which they do not exceed.

3. The amount of its assets or an amount which its assets at least equal.

4. The names and addresses of all the directors and officers of the company, and in the case of a foreign corporation, the name also of the person designated in the manner prescribed by the code of civil procedure, as a person upon whom process against the corporation may be served within this state.

Such report shall be made by the president or a vice-president or the treasurer or a secretary of the corporation, and shall be filed in the office of the secretary of state. If such report be not so made and filed, any such officer who shall thereafter neglect or refuse to make and to file such report, within ten days after written request so to do shall have been made by a creditor or by a stockholder of the corporation, shall forfeit to the people the sum of fifty dollars for every day he shall so neglect or refuse.

January 1 to 31.

Insurance companies which are being run by receivers are investigated by an actuary (Insurance Law, Sec. 79) as follows:

An investigation shall annually be made on the first day of January, or within thirty days thereafter, by a competent actuary approved by the superintendent of insurance, into the affairs of such corporation. . . .

January 1 to 31.

Underwriters engaged in any form of insurance business file list of agents with Superintendent of Insurance (Insurance Law, Sec. 142, as amended by Laws 1918, Chap. 552) as follows:

The term "agent" in this section shall include an acknowledged agent or any person, partnership, association or corporation who shall in any manner aid in transacting the insurance business of any underwriter, incorporated or unincorporated, by negotiating for or placing risks or delivering policies or collecting premiums, but shall not include the officers and salaried employees of any such underwriter, who do not receive commissions. Every underwriter, incorporated or unincorporated, engaged in the transaction of any business of insurance within this state, upon the employment or termination of the employment of any person, partnership, association or corporation to act as its agent within this state, shall certify such fact together with the name and address of such agent to the superintendent of insurance; and shall also annually during the month of January, in such form as the superintendent of insurance shall prescribe, file with him a list of the names and addresses of all its agents authorized to act as such within the state. No person, partnership, association or corporation shall as agent act for any such underwriter in this state, unless such underwriter shall have fully complied with the provisions of this chapter nor unless such agent shall have procured an agent's certificate of authority from the superintendent of insurance. The superintendent of insurance shall file in his office evidence of the issuance of every such certificate to an agent, together with evidence of such agent's authority from each underwriter for whom he is to act. An agent's certificate of authority shall be issued only upon application filed with the superintendent of insurance, in such form as the superintendent of insurance shall prescribe. Every such certificate shall expire on the thirty-first day of December of the calendar year in which the same shall have been issued, but if the application for the renewal of any such certificate shall have been filed with the superintendent of insurance before January first of any year such agent may continue to act as such under such expired certificate until the issuance to him by the superin-

tendent of insurance of a new certificate or until five days after the superintendent of insurance shall have refused to renew such certificate and shall have served notice of such refusal on such agent. Service of such notice may be made either personally or by mail, and, if by mail, shall be deemed complete if such notice is deposited in the post-office, postage prepaid, directed to the applicant at the place of residence or business specified in his application.

January 1 to 31.

Credit unions, and also the Land Bank of the State of New York, hold annual stockholders' meeting (Banking Law, Secs. 436, 464).

January 1 to 31.

Corporations licensed to act as agent for foreign insurance companies which are not authorized to do business in New York pay 3% of premiums received during preceding six months to certain associations (Insurance Law, Sec. 137 as amended) as follows:

Each party receiving such license shall, before transacting business thereunder, execute and deliver to the superintendent a bond to the people of the state, in the penal sum of two thousand dollars, with such sureties as the superintendent shall approve, conditioned that the said agent will faithfully comply with all the requirements of this chapter, and will, in the case of fire insurance, pay to the treasurer of the Firemen's Association of the State of New York, . . . or, where such policies cover risks in cities of over one million inhabitants, having a fire patrol or salvage corps, to the treasurer of such fire patrol or salvage corps, in January and July of each year, a sum equal to three per centum upon the amount of the gross premiums charged to fire policyholders less the amount of the gross premiums returned to the insured upon all policies procured by him during the preceding six months, pursuant to this article; and, in the case of insurance against loss or damage to property caused by bombardment, in-

vasion, insurrection, riot, civil war or commotion, or military or usurped power, will pay a like sum of three per centum to the superintendent of insurance for the uses and purposes of the insurance department of the state; . . .

January 1 to February 15.

Insurance companies of all classes, except life, health and casualty companies, file with Superintendent of Insurance a statement of condition as of December 31st preceding (Insurance Law, Sec. 44) as follows:

Every corporation, engaged wholly or in part in the transaction of the business of insurance in this state, whether heretofore or hereafter incorporated by a general or special law, shall annually, on the first day of January, or within two months thereafter, if a corporation under article two of this chapter, and on or before the fifteenth day of February, if a corporation under the other articles of this chapter, file in the office of the superintendent of insurance a statement verified by the oath of at least two of the principal officers of such corporation, showing its condition on the thirty-first day of December then next preceding, which shall be in such form and shall contain such matters as the superintendent shall prescribe. If a foreign corporation incorporated under the laws of a state or country outside of the United States, such oath may be made by the manager thereof within the United States. The superintendent may also address any inquiry to any such insurance corporation or its officers in relation to its doings or condition, or any other matter connected with its transactions. Every corporation so addressed shall promptly and truthfully reply in writing to any such inquiries, and such reply shall be verified, if required by the superintendent, by such officer of the corporation as he shall designate.

January 1 to February 28.

Domestic and foreign life, health and casualty insurance companies file statement of condition with Superintendent of Insurance as of December 31st preceding. (For text of law see above.)

January 1 to February 28.

Personal loan companies must hold annual stockholders' meeting during this period (Banking Law, Sec. 353 as amended).

January 1 to June 30.

Corporations acting as agent for foreign insurance companies procure certificate of authority from Superintendent of Insurance (Insurance Law, Sec. 50) as follows:

No person or corporation shall act as agent for any foreign insurance corporation in the transaction of any business of insurance within this state, or negotiate for or place risks for any such corporation, or in any way or manner aid such corporation in effecting insurances or otherwise in this state, unless such corporation shall have fully complied with the provisions of this chapter. Every such agent shall, annually, on the first day of January, or within six months thereafter, procure a certificate of authority from the superintendent of insurance, who shall file in his office evidence of the issuance of such certificate to the agent aforesaid. Any person or corporation violating the provisions of this section shall forfeit to the people of the state the sum of five hundred dollars for the first offense, and an additional sum of one hundred dollars for each month during which any such person or corporation shall continue to act in violation of this section. This section shall not apply to the agents of corporations transacting business under the provisions of article six of this chapter.

January 10.

Last day to pay personal property tax and first half of real estate tax without penalty in Nassau county. After this date interest is added thereto at the rate of seven per cent from the preceding December 1st (Laws 1917, Chap. 297, Secs. 31, 33).

First Tuesday of January.

Banks and safe deposit companies hold annual stockholders' meeting on this date or within ten days thereafter (Banking Law, Secs. 122, 324).

January 15.

Franchise tax due from corporations taxable under Sec. 182 of the Tax Law and payable without penalty for 30 days thereafter (Tax Law, Sec. 197). For text of Sec. 182 and classes of corporations taxable thereunder, see page 217.

January 31.

Comptroller may issue warrant for collection of income tax, if unpaid (Tax Law, Sec. 219e) as follows:

If the tax imposed by this article be not paid within thirty days after the same becomes due, unless an appeal or other proceeding shall have been taken to review the same, the comptroller may issue a warrant under his hand and official seal directed to the sheriff of any county of the state commanding him to levy upon and sell the real and personal property of the corporation owning the same, found within his county, for the payment of the amount thereof, with the added penalties, interest and the cost of executing the warrant, and to return such warrant to the comptroller and pay to him the money collected by virtue thereof by a time to be therein specified, not less than sixty days from the date of the warrant. Such warrant shall be a lien upon and shall bind the real and personal property of the corporation against whom it is issued from the time an actual levy shall be made by virtue thereof. The sheriff to whom any such warrant shall be directed shall proceed upon the same in all respects, with like effect, and in the same manner as prescribed by law in respect to executions issued against property upon judgments of a court of record, and shall be entitled to the same fees for his services in executing the warrant, to be collected in the same manner.

PENNSYLVANIA.**January 1.**

Trust companies which are depositaries of bonds for foreign bond and investment companies make report thereof to the Commissioner of Banking (Act June 7, 1907, Sec. 4, P. L. 446) as follows:

No foreign company, corporation, . . . shall be licensed to negotiate, offer for sale, or sell, within this Commonwealth, securities as enumerated and described in the first section of this act, unless it has deposited with some trust company of this Commonwealth, to be approved by the Commissioner of Banking, the sum of one hundred thousand dollars in bonds of the United States or of the State of Pennsylvania or of cities, counties, boroughs, or school districts of this Commonwealth, as security for the fulfilment of its contracts. None of the securities so deposited with the State of Pennsylvania shall be withdrawn by any such company, corporation, or association without the permission of said Commissioner, in writing, and under the seal of his office; and no such withdrawal shall be permitted which will reduce the amount so deposited to less than one hundred thousand dollars. Exchanges of such bonds may be made, from time to time, with the approval of the Commissioner of Banking; and, if any of said bonds are called in for payment, the proceeds thereof shall remain in the hands of the depositary until other bonds of the classes above mentioned shall be substituted in like amount for the bonds so paid; whereupon such depositary shall, with the permission in writing of said Commissioner, pay over such proceeds to the association, company, or corporation depositing the bonds. . . . Trust companies acting as depositaries under the provisions of this section shall pay over the income of the bonds, deposited with them as aforesaid, to the company, corporation, or association depositing them, and shall make report in writing, signed and sworn to by the president or treasurer thereof, to the Commissioner of Banking semi-annually, on the first day of January and the first day of July in each year, setting forth the amounts and kinds of bonds deposited with them, as aforesaid, and by what company,

corporation, or association the same have been deposited; and for failure to make such report within thirty days after the time fixed as aforesaid for making such reports, the trust company failing to make the same shall be liable to a penalty of fifty dollars, to be recovered in the name of the Commonwealth, as other penalties are by law recoverable, and the amount so recovered shall be paid into the State treasury.

January 1.

Domestic stock insurance companies make report to Auditor General of premiums received during preceding six months (Act June 1, 1889, Sec. 24) as follows:

That hereafter it shall be the duty of the president, secretary or other proper officer of each and every insurance company or association, incorporated by or under any law of this Commonwealth, except companies doing business upon the purely mutual plan, without any capital stock or accumulated reserve, and purely mutual beneficial associations, whose funds for the benefit of members, their families, or heirs, are made up entirely of the weekly or monthly contributions of their members, and the accumulated interest thereon, to make report, in writing, to the Auditor General semi-annually, upon the first days of July and January, in each year, setting forth the entire amount of premiums and assessments received by such company or association during the preceding six months, whether the said premiums and assessments were received in money or in the form of notes, credits, or any other substitute for money; and every such company or association shall pay into the State Treasury, semi-annually, on the last days of January and July, in addition to any other taxes to which it may be liable under the first and under the twenty-first sections of this act, a tax of eight mills upon the dollar upon the gross amount of said premiums and assessments received from business transacted within this Commonwealth; Provided, That said report shall be made under oath or affirmation and that it shall be the duty of the accounting officers of the Commonwealth to add ten per centum to the account of any company or association whose officer shall neglect or refuse for a period of thirty days, to make the said report, or to pay into the State Treasury, the tax imposed by this section.

January 1.

In the city of Philadelphia unpaid taxes of the preceding year become delinquent (Act May 13, 1856, Sec. 8, P. L. 569).

January 1 to 31.

Annual meeting for election of directors of domestic mutual insurance companies, other than life companies, must be held during this month (Act July 11, 1917, Sec. 9; P. L. 1917, p. 782).

January 1 to 31.

Corporations acting as trustees, etc., make report to Auditor General of certain unclaimed moneys, etc. (Act July 6, 1917; P. L. 1917, p. 725) as follows:

Every trustee, guardian, committee, executor, administrator, assignee, receiver, or other person or corporation acting in any fiduciary capacity whatever, shall make a report, under oath, to the Auditor General, in the month of January in each year, of all moneys or other estate held by him or it, under a dry trust, or under or by reason of an active trust which has terminated, the beneficial owner or owners of which moneys or estate shall have been unknown, or the whereabouts thereof shall have been unknown, for a period of seven years next preceding the first day of said month.

Every corporation . . . which has received and holds, in any manner not elsewhere in this act mentioned, any money belonging to another person, or which has received and holds any other property or estate of another person for storage, or safekeeping, or otherwise, in any manner whatsoever, shall make a report, under oath, to the Auditor General, in the month of January in each year hereafter, of all such money or property so far as is known; the amount of which money has not been claimed, or access to which property has not been had, by the person for whom the same is held, within seven or more successive years next preceding the first day of said month.

January 1 to 31.

Annual meeting for election of directors of life, fire, marine and casualty insurance companies must be held during this month (Act June 1, 1911, Sec. 12) as follows:

The annual meeting for the election of directors shall be held at such time in the month of January as the by-laws of the company may direct; of the time and place of which meeting at least thirty days' previous notice shall be given to the stockholders or members, by publication not less than three times each in at least two daily or weekly newspapers, and in the legal periodical, if any, designated by the rules of court of the proper county for the publication of legal notices published in the city or county wherein the company is domiciled. At such annual meeting the stockholders or members shall elect by ballot, from their own number, not less than seven directors, a majority of whom shall be residents of this commonwealth, to serve for one year and until their successors are duly chosen.

January 1 to 30.

Brokers licensed to deal with fire or marine insurance companies which are not authorized to do business in Pennsylvania pay tax of three per cent on premiums (Act June 1, 1911, Sec. 28) as follows:

Each party receiving such license (i. e. a license to deal with unauthorized companies,—Editor) shall, before transacting any business thereunder, execute and deliver to the insurance commissioner a bond, in the penal sum of \$1,000, with such sureties as the commissioner may approve, conditioned that said broker will faithfully comply with all requirements of the preceding section of this act, and will pay to the insurance commissioner, in January of each year, a tax of three per centum upon the gross premiums named in the policies delivered to the policyholders and upon all policies procured by him, in accordance with the preceding section, during the year. Deduction shall be allowed for net premiums returned on policies cancelled. In default of payment of the tax, as herein provided, before the thirtieth day of January of each year, the

insurance commissioner shall demand a statement, under oath, from the broker; and, failing to obtain the same, it shall be his duty to proceed against him, in the same manner as though he had acted without a license.

January 1 to 31.

Foreign and domestic banks, trust companies, etc., make report to Auditor General of accounts which have not changed for fourteen years (Act June 7, 1915, Sec. 1) as follows:

Every person, bank, safe-deposit company, trust company and corporation, organized or doing business under the laws of this commonwealth, except mutual saving-fund societies not having a capital stock represented by shares, which receives or has received deposits of moneys, shall make a report to the Auditor General, under oath, in the month of January of each year hereafter, of such deposits of money which shall not have been increased or decreased or, if not increased or decreased, on which interest shall not have been credited in the pass book, at the request of the depositor, within fourteen or more consecutive years next preceding the first day of said month.

January 1 to 31.

All foreign and domestic corporations, except building and loan associations, make report to Auditor General of dividends and debts unpaid for three or more successive years (Act June 7, 1915, Sec. 3) as follows:

Every corporation, company, bank, trust company, . . . organized or doing business under the laws of this commonwealth, except building and loan associations, shall make a report to the auditor general, in the month of January of each year hereafter, of all dividends, or profits declared by it to any stockholder or member, and not paid for three or more successive years next preceding the first day of said month; and all debts and interest on debts due by it to any creditor, and not paid for three or more successive years next preceding the first day of said month; and

of all property held by it for the benefit of another person, which property shall have been demandable by such other person for seven or more successive years next preceding the first day of said month, and shall not have been received by such other person.

January 1 to 31.

Foreign surety companies file statement and certificate with Insurance Commissioner (Act June 26, 1895, Sec. 2, P. L. 343) as follows (in part):

Such company, to be qualified to so act as surety or guarantor, . . . must have at least one hundred thousand dollars invested in securities created by the laws of the United States, or by or under the laws of the state or country wherein it is incorporated, or in other safe, marketable and interest-bearing stocks and securities, the value of which shall be at or above par and deposited with or held by the Insurance Commissioner or other corresponding officer of the state or country where such company is domiciled, or any State of the United States in which it is authorized to transact business, in trust for the benefit of the holders of the obligations of such company; . . . such company shall also, before transacting business in this state under this act, file with the Insurance Commissioner . . . a statement signed and sworn to by its president or one of its vice-presidents and its secretary or one of its assistant secretaries stating the amount of its paid up cash capital, particularly each item of investment, the amount of premium on existing bonds on which it is surety, the amount of liability for unearned portion thereof estimated at fifty per centum of the annual premium on all outstanding premiums for one year or less, and pro rata for terms of more than one year, stating also the amount of its outstanding debts of all kinds; . . . Such company shall also annually, in the month of January, file with the Insurance Commissioner a statement similar to that hereinbefore in this section provided for, and shall also furnish him with a certificate from the officer with whom the deposit herein mentioned is required to be made, describing such securities so deposited and the manner in which they are held by him, and stating that he is satisfied that such securities are fully

worth one hundred thousand dollars, and also shall furnish the Insurance Commissioner with such other information touching the condition and credit as he may require, signed and sworn to as in this section required.

January 1 to February 28.

Foreign corporations file bonus report with Auditor General (Laws 1901, page 150, Secs. 1, 2) as follows:

In addition to the duty of complying with the other laws now in force, no corporation . . . liable to pay a bonus under this act shall go into operation or transact any business in this commonwealth without having first made a report under oath to the auditor general stating specifically,

First. The state or country in which incorporated or created.

Second. The date of incorporation or organization.

Third. The location of its chief office in this state.

Fourth. The name and address of its president and treasurer.

Fifth. The amount of its bonded indebtedness.

Sixth. The amount of its authorized capital stock.

Seventh. The amount of its capital paid in.

Eighth. The amount of its capital employed wholly in the State of Pennsylvania.

And each of said corporations . . . shall make a similar report annually thereafter, not later than the thirtieth day of November of each year.

Note: The Act of June 2, 1915, changed date of filing capital stock reports from November 30 to February 28, and the Auditor General's department has made a rule requiring bonus reports to be filed at the same time, i. e., on or before February 28 for the preceding calendar year.

January 1 to February 28.

Treasurers of foreign and domestic corporations make report to Auditor General of interest paid to residents of Pennsylvania during preceding calendar

year on corporate bonds, certificates of indebtedness or other corporate obligations (Act June 8, 1891; Act June 2, 1915).

January 1 to February 28.

All foreign and domestic corporations except banking corporations of all kinds, building and loan associations and foreign insurance companies, make report to Auditor General for capital stock tax (Act June 2, 1915, Sec. 1, P. L. 730) as follows:

Hereafter, except in the case of banks, savings institution, title insurance or trust companies, building and loan associations and foreign insurance companies, it shall be the duty of the president, vice-president, secretary or treasurer of every corporation having capital stock . . . now or hereafter organized or incorporated by or under any laws of this commonwealth; and of every corporation . . . now or hereafter incorporated or organized by or under the law of any other state or territory of the United States, or by the United States, or by any foreign government, and doing business in and liable to taxation within this commonwealth, or having capital or property employed or used in this commonwealth by or in the name of . . . any corporation whatsoever . . . to make annually, on or before the last day of February, for the calendar year next preceding, a report in writing to the auditor general, on a form or forms to be prescribed and furnished by him, stating specifically:

First. The amount of its capital stock at the close of the year for which report is made, together with the highest selling price per share, and the average selling price thereof, during said year.

Second. Its debt account.

Third. Its income account, together with the disposition of any net income, and its profit and loss statement.

Fourth. Its general balance sheet.

Fifth. Its real estate and tangible personal property, if any, owned and permanently located outside the commonwealth, and the value of the same; and the value of property, if any, exempt from taxation.

Sixth. The proportion of its capital stock invested in, and actually and exclusively employed and used in manufacturing within the commonwealth during the year for which said report is made.

Seventh. A valuation and appraisal, in the manner hereinafter provided, of the capital stock of the said corporation . . . at its actual value in cash as it existed at the close of the year for which the report is made.

The affidavit of any two of the following named officers of such corporation . . . namely, the president, vice-president, secretary and treasurer, shall be attached to said report, that the statements in said report are true and correct, and that, with fidelity and according to the best of their knowledge and belief, they have estimated, valued and appraised, as shown in said report, the capital stock of the said corporation at its actual value in cash as it existed at the close of the year for which report is made; not less, however, than, first, the average price which said stock sold for during the year; and second, not less than the price or value indicated or measured by net earnings or by the amount of profit made, and either declared in dividends, expended in betterments, or carried into surplus or sinking fund; and third, not less than the actual value indicated or measured by consideration of the intrinsic value of its tangible property and assets, and the value of its good will and franchises and privileges as indicated by the material results of their exercise, taking also into consideration the amount of its indebtedness:

. . . and, in the event of the neglect or refusal of the officers of any corporation to make the report and appraisal to the auditor general as herein provided on or before the last day of March following the month of February in which said report is due to be filed, it shall be the duty of the auditor general and state treasurer to estimate a valuation of the capital stock of such defaulting corporation . . . and settle an account for taxes, penalty and interest thereon, from which settlement there shall be no right of appeal.

(The statute also provides for filing reports on a fiscal year basis, if request is made for permission to do so. An extension of not exceeding 30 days may be granted upon proper cause shown. Intentional failure to make reports for three successive years is a misdemeanor, and will also cause the charter of the defaulting corporation to be forfeited.)

Note: Time for Filing Reports of Corporations.—

The capital stock, bonus and loan reports are by the Act of June 2, 1915, P. L. 730, required to be filed “ annually on or before the last day of February, for the calendar year next preceding.” The penalty, however, applies only for default after March 31. The law further provides that “ the Auditor General may, upon proper cause being shown, extend the time of filing returns for a period not exceeding thirty days.” The Attorney General has held that reports may be filed at any time in March without penalty and also that the Auditor General may extend the time for filing return for a period not exceeding 30 days after March 31. This extension may be granted after March 31, that is, it is not essential to obtain the extension before the expiration of the last day to file without penalty. The Auditor General, in effect, can waive the penalty on all returns filed in April. 19 Dauphin Co. Rep. 397.

January 1 to March 31.

Local taxes and water rates levied in second-class cities are payable in advance, unless taxpayers elect to pay the same quarterly, as follows: first quarterly payment between January 1 and March 31; second quarterly payment during the month of April; third quarterly payment during the month of July; and fourth quarterly payment during the month of October (Act July 20, 1917; P. L. 1917, p. 1173). A discount of 2% is allowed on all taxes and water rates paid during January (Same).

60 days after first Monday of November.

Last day for corporations not subject to capital stock

tax to pay tax of 3% on their income. (For text of law, see page 221.)

January 15.

In the city of Philadelphia, within one week after this date names of delinquent taxpayers are published (Act May 23, 1874, Sec. 5, P. L. 232).

January 15.

In the city of Philadelphia, on or after this date the Receiver of Taxes may proceed to collect unpaid taxes of preceding year by distraint or otherwise (Act April 19, 1883, Sec. 2, P. L. 9).

January 25.

In the city of Philadelphia the books of the Receiver of Taxes are opened and payment of taxes begins (Act July 21, 1913, Sec. 1, P. L. 863).

January 31.

Domestic stock insurance companies pay tax of eight mills on the dollar ($\frac{4}{5}$ of 1%) on gross premiums received during six months ending on preceding December 31. (For text of law see entry under January 1 above.)

F E B R U A R Y.**FEDERAL.****February 10.**

Monthly returns required from manufacturers of playing cards and dealers in leaf tobacco. For details see entries in January.

February 13.

Last day to notify Collector of Internal Revenue of change from calendar year to fiscal year period for making income tax returns (Regulations 45, Art. 26) as follows:

If a taxpayer changes his accounting period, he shall as soon as possible give written notice to the collector for transmission to the Commissioner of such change and his reasons therefor. The Commissioner will not approve a change of the basis of computing net income unless such notice is given (a) at least 30 days before the due date of the taxpayer's return on the basis of his existing taxable year and (b) at least 30 days before the due date of his return on the basis of the proposed taxable year. If the change in the basis of computing the net income of the taxpayer is approved by the Commissioner, the taxpayer shall thereafter make his returns upon the basis of the new accounting period in accordance with the requirements of section 226 of the statute and his net income shall be computed as therein provided.

February 20.

Various monthly returns must be made by corporations of different classes. For details see entries in January under "20th day of each month."

February 28.

Various monthly returns must be made by corporations of different classes. For details see entries in January under "Last day of each month."

DELAWARE.**February 1.**

Foreign insurance companies other than life companies file statement with Commissioner of Insurance and pay tax of $1\frac{1}{2}\%$ on premiums (Code 1915, Par. 78) as follows:

Each and every foreign insurance company, firm or corporation doing the business of life insurance within the State shall on the twenty-eighth day of February of each year, pay to the Insurance Commissioner, for the use of the State, two per centum on the gross amount of premiums received and assessments collected by any such insurance company, firm or corporation, or authorized agent for the year immediately preceding the thirty-first day of December next preceding the date herein provided for such payment; and every insurance company, firm or corporation doing any other insurance business within the State, shall on the first day of February of each year, pay to the Insurance Commissioner, for the use of the State, one and one-half per centum on the gross amount of premiums received and assessments collected by any such insurance company, firm or corporation, or authorized agent for the year immediately next preceding the date herein provided for such payment; and each and every such company, firm or corporation, shall, at the same time, deliver to the Insurance Commissioner a full detailed statement showing the gross amount of premiums received and assessments collected by such company, firm or corporation or authorized agent for the previous year, and such statement shall be verified by the oath or affirmation of the President or Secretary of said Company, duly administered by some person authorized by the laws of this State to administer oaths.

February 20.

Assessment lists for local taxes posted in Kent county (Code 1915, Par. 1112). Announcement of the time and place of hearings to revise local assessments in

said county is made before this date (Code 1915, Par. 1113).

February 28.

Domestic surety companies file annual statement with Insurance Commissioner (Code 1915, Par. 615).

February 28.

All fire insurance companies make return of insurance, reinsurance, etc., to Insurance Commissioner (Code 1915, Par. 585) as follows:

Every fire insurance company or association shall annually and at such other times, as the Insurance Commissioner may require, in addition to all returns now by law required of it or its agents or managers, make a return to the Insurance Commissioner, in such form and detail as may be prescribed by him of all insurance, reinsurance or cessions or risk or liability contracted for or effected by it, whether by issue of policy, entry on bordereau, or general participation agreement, or by excess loss reinsurance, or in any other manner whatsoever, upon property located in this State, or covering, whether specified or otherwise, any risk or liability upon property so located; such return to be certified by the oath of its president and secretary, if a company or association of one of the United States, and if a company or association of a foreign country by the oath of its managers in the United States, as to such reinsurance or cessions effected through its branch office in the United States, and by the oath of its president and secretary, or by officers corresponding thereto at its home office wherever located, as to reinsurance or cessions, as aforesaid, contracted for or effected through the foreign office. The refusal of any such company or association to make the returns herein required, shall be presumptive evidence that it is guilty of violating the provisions of 573, and shall subject it to the penalties prescribed and imposed by this chapter.

Note: Although not specified in the statute, the Insurance Commissioner requires the foregoing state-

ment to be filed on or before February 28. The penalty for failure to file it is a fine of \$500 (Code 1915, Par. 586).

February 28.

Foreign life insurance companies file statement with Commissioner of Insurance and pay tax of 2% on premiums. (For text of law see page 58.)

MAINE.

First Monday in February.

If any tax on real estate or on equitable interests therein remains unpaid on this date next after the assessment of the tax, such real estate may be sold to enforce payment thereof (Rev. Stats. 1916, Chap. 11, Sec. 72).

February 15.

Last day to which Insurance Commisisoner may extend time of insurance companies to file annual report of condition. (For text of law see page 16.)

NEW JERSEY.**February 1 to 28.**

Savings banks publish list of unclaimed deposits once a week for three successive weeks (Laws 1906, Chap. 195, Sec. 30) as follows:

Every savings bank shall include in its annual report to the commissioner of banking and insurance a sworn statement containing the name, the amount standing to his credit, the last-known place of residence or post-office address and the fact of death, if known, of every depositor who shall not have made a deposit or withdrawn any part of his deposit, or any part of the interest thereon, for a period of ten or more years next preceding, when the amount exceeds the sum of fifty dollars; and the officers of such savings bank shall give notice of these deposits in one or more newspapers published in or nearest to the municipality in which such bank is located, at least once a week for three weeks in succession during the month of February for two successive years.

February 15.

Foreign insurance companies, other than life, make report to Commissioner of Banking and Insurance and pay tax of 2% on gross premiums received on business done in New Jersey during preceding calendar year (Laws 1902, Chap. 134, Sec. 65) as follows:

Every insurance company, other than life, of another state or foreign country, transacting business in this state, shall, on or before the fifteenth day of February of each year, make to the commissioner of banking and insurance a report, signed and sworn to by an officer of the company, or by its United States manager if a company of a foreign country, stating the gross amount of premiums received by such company, and by each agent thereof, on business of the said company in this state for the preceding

calendar year, including all premiums received from other companies for reinsurance of them, and the amount of premiums returned to the insured during said year on policies canceled, and the amount of premiums paid for reinsurance in other insurance companies of other states or foreign countries, authorized to do business in this state, and shall pay to said commissioner, on or before the fifteenth day of February, a tax of two percentum upon such gross amount of premiums paid, less such returned premiums and such reinsurance premiums paid, which tax shall be in lieu of all other franchise taxes imposed upon said corporation; provided, any taxes hereafter paid to the treasurer of any firemen's relief association of this state, by fire insurance companies of other states and foreign countries and their agents, in accordance with the provisions of an act entitled "An act to facilitate the collection from fire insurance companies not organized under the laws of this state, but doing business herein, and from agents and brokers, of certain premiums for the benevolent funds of the several duly incorporated firemen's relief associations of this state," approved May second, one thousand eight hundred and eighty-five, shall be considered a part of the tax payable by such companies under this section, and nothing herein contained shall be construed to repeal, alter or change the provisions of the said recited act.

And provided, further, that any taxes hereafter paid to the treasurer of any police pension fund by any foreign insurance company or its agents, in accordance with the provisions of an act entitled "A further supplement to an act entitled 'An act to remove the fire and police departments in the cities of this State from political control,' approved May second, one thousand eight hundred and eighty-five, and to provide for the establishment, management and distribution of a police pension or retirement fund," approved April eighth, one thousand nine hundred and fifteen, shall be considered a part of the tax payable by such company under this section, and nothing herein contained shall be considered to repeal, alter or change the provisions of the said recited act.

NEW YORK.**February 1.**

Savings banks file semi-annual report with Superintendent of Banks as of January 1 preceding (Banking Law, Sec. 273) as follows:

1. Semi-annual report. On or before the first day of February and the first day of August in each year every savings bank shall make written report to the superintendent of banks, which report shall be in the form prescribed by the superintendent and shall contain a statement of its condition on the morning of the first day of January and of the first day of July in the said year, respectively.

2. Contents of report. Every such report shall state the amount loaned upon bond and mortgage, and a list of all bonds and mortgages upon which money has been loaned that have not been previously reported, which list shall show the location of the mortgaged premises. It shall contain a list of all bonds and mortgages previously reported that since have been paid wholly or in part or have been foreclosed, and the amounts of such payments and the proceeds of such foreclosures. It shall state the original cost, date of purchase, date of maturity, stated rate of interest, the present cost after amortization, par value, and estimated market value, of all stock or bond investments, designating each particular kind of stock or bond; the amounts loaned upon promissory notes, upon the pledge of the different classes of securities authorized by this article, with a statement of the amount of the securities held as collateral for such loans; the amount invested in real estate, giving the cost of the same, and, in the case of real estate purchased at judicial sale or taken in satisfaction of debts due the savings bank, the actual cash value thereof as appraised by its trustees; the amount of cash on hand, and on deposit in banks or trust companies and the amount deposited in each.

The present cost of stock and bond investments shall be determined by amortization as provided in section two hundred and forty-six of this article. The estimated market value of the stock

or bond investments shall be determined according to the list of securities furnished by the superintendent of banks pursuant to section fifty-three of article two of this chapter.

Such report shall state all the liabilities of the savings bank, the amount due to depositors, which shall include any dividend to be credited to them for the six months ending on the day as to which such report is made, and all other debts and claims against the savings bank which are or may be a charge upon its assets.

Such report shall state the amount deposited and the amount withdrawn during the twelve months immediately preceding; the whole amount of profits or interest received or earned and the whole amount of dividends credited to depositors, together with the amount of each dividend and the rate at which it was declared, the number of accounts opened or reopened, the number closed during the preceding six months, the number of open accounts at the end of the period for which said report is made, and such other information as may be required by the superintendent.

3. Verification. Every such report shall be verified by the oaths of the two principal officers in charge of the affairs of the savings bank at the time of such verification, which shall state that the report is true and correct in all respects to the best of the knowledge and belief of the persons verifying it, and that the usual business of the savings bank has been transacted at the location required by this article and not elsewhere.

4. Special reports. Every savings bank shall also make such other special reports to the superintendent as he may from time to time require, which shall be in such form and filed at such date as may be prescribed by the superintendent and shall, if required by him, be verified in such manner as he may prescribe.

5. Penalty. If any savings bank shall fail to make any report mentioned by this section, on or before the day designated for the making thereof, or shall fail to include therein any matter required by the superintendent to be stated, such savings bank shall forfeit to the people of the state the sum of one hundred dollars for every day that such report shall be delayed or withheld, and for every day that it shall fail to report any such omitted matter, unless the time therefor shall have been extended by the superintendent as provided by section forty-nine of this chapter.

February 1.

A penalty of five per cent and interest at ten per cent is added to unpaid general property taxes of preceding year (Tax Law, Secs. 82, 89).

February 1.

On or before this date foreign bankers make report to Tax Commission as of December 31st preceding, and pay to State Treasurer a tax of five per cent on profits of business done in New York (Tax Law, Secs. 191, 192, sub. 6, 197) as follows:

Every foreign banker doing business in this state, shall annually pay to the treasurer a tax of five per centum on the amount of interest or compensation of any kind earned and collected by him on money loaned, used or employed in this state by such banker. The term "doing a banking business," as used in this section, means doing such business as a corporation may be created to do under article three of the banking law, or doing any business which a corporation is authorized by such article to do. The term "foreign banker doing a banking business in this state," as used in this section, includes:

1. Every foreign corporation doing a banking business in this state, except a national bank.
2. Every unincorporated company, partnership or association of two or more individuals, organized under or pursuant to the laws of another state or country, doing a banking business in this state.
3. Every other unincorporated company, partnership, or association, of two or more individuals, doing a banking business in this state, if the members thereof, owning more than a majority interest therein, or entitled to more than one-half of the profits thereof, or who would, if it were dissolved, be entitled to more than one-half of the net assets thereof, are not residents of this state.
4. Every nonresident of this state, doing a banking business in this state, in his own name and right only.

6. Foreign bankers. Every foreign banker liable to pay a tax under section one hundred and ninety-one of this chapter shall, on or before February first in each year, make a written report to the tax commission of the condition of his business on December thirty-first preceeding, stating the amount of tax for which he is liable under this article, and giving in detail the facts required by the last preceeding section for the purpose of ascertaining and computing the same.

. . . A tax imposed by section 191 of this chapter shall be due and payable into the state treasury on or before February first in each year. . . .

February 1.

Agents of foreign fire insurance companies pay tax on premiums to certain fire departments (Insurance Law, Sec. 133) and render account of such premiums to local fiscal officers (Same, Sec. 134) as follows:

Except in the cities of New York and Buffalo there shall be paid to the treasurer of the fire department of every city or village of this state, whether incorporated or unincorporated, having a fire department, company or organization, for the use and benefit of such department, or to the treasurer of such fire department within the fire limits, as established by law, of an unincorporated village and when no treasurer of a fire department exists, then to the treasurer or other fiscal officer of such city or village, or in case of an unincorporated village to the supervisor of the town in which such village is situated who, for the purposes of this chapter, shall have the same powers as the treasurers of fire departments, on the first day of February of each year, by every person who shall act as agent for or on behalf of any foreign fire insurance corporation, association or individuals which insure property against loss or injury by fire, the sum of two dollars upon the hundred dollars, and at that rate, upon the amount of all premiums which during the year or part of a year ending on the last preceeding thirty-first day of December shall have been received by such agent or person, or received by any other person for him, for any insurance effected or procured by him as such agent or broker against loss or injury by fire upon

property situate within the corporate limits of such city or village, or within the fire limits of such unincorporated village. Every city, except the city of New York, village, fire department, fire, hose or hook and ladder company, fire district, or fire district association, firemen's benevolent associations, exempt or veteran firemen's associations, and every officer, board of officers and association receiving any portion of the tax directed to be paid by this section or any similar provision of law, shall within ten days after the receipt of the same, pay to the treasurer of the Firemen's association of the state of New York, ten per centum of the amount so received by it or him, for the support or maintenance of the Volunteer Firemen's home at Hudson, New York. . . .

No person shall, as agent for any such foreign insurance corporation, association or individuals, effect any insurance upon any property situate in any city or village of this state upon which the sums specified in the preceding section are required to be paid; or as such agent procure such insurance to be effected, until he shall have executed and delivered to the officer to whom such account is to be rendered and such payments to be made, a bond to such fire department in the penal sum of five hundred dollars, with such sureties as such treasurer, supervisor or other fiscal officer shall approve, with a condition that he will annually render to such treasurer, supervisor or other fiscal officer, on the first day of February in each year a just and true account, verified by his oath that the same is true, of all premiums which, during the year ending on the thirty-first day of December preceding such report, shall have been received by him or any other person for him, for any insurance against loss or injury by fire upon property situated in such city or village, which shall have been effected or procured by him to have been effected by any such corporation, association or individuals, and that he will annually, on the first day of February in each year, pay to such treasurer or supervisor or other fiscal officer two dollars upon every hundred dollars, and at that rate upon the amount of such premiums. If any such agent shall desire to transact business in more than one city, town or village, he may, instead of executing and delivering a separate bond for each such city, town or village, as required by this section, execute and file with the superintendent of insurance a bond in the penal sum of fifteen hundred dollars, with such sureties as the superintendent shall approve, conditioned

that he will make his account and pay the sums so required to be paid in each city, town or village in which he shall effect insurance. Any such corporation, association or individual, having authority to transact business in this state, on filing a bond in the penal sum of two thousand five hundred dollars with the superintendent of insurance that it will make its account and pay the sum so required to be paid, may effect such insurance in any city, town or village wherein it has no agent.

February 1.

Tax on grounds used for shell-fisheries is levied and assessed at the rate of 25¢ per acre, and is payable within 60 days thereafter (Conservation Law, Sec. 308).

February 1.

If general property tax levied on lands for the second year preceding remains unpaid on this date, Comptroller may sell them. The owner or occupant has one year after the sale in which to redeem (Tax Law, Secs. 120, 127) as follows:

The comptroller may sell any lands heretofore or hereafter returned to him for nonpayment of any tax thereon, if such tax and the interest thereon, or any part thereof shall remain unpaid for one year after February first, following the year in which the tax was levied. He shall make out a list of all such lands in any county and transmit to the county treasurer thereof, at least eighteen weeks before the commencement of the sale, a number of copies of such list sufficient to furnish five copies to the county treasurer, two copies to the county clerk and two copies to the clerk of each town and city in which such lands are situated. The county treasurer shall transmit the same to such officers. The comptroller shall publish such list with a notice that on a day to be specified therein and the succeeding days so much of such lands as may be necessary to discharge the taxes, interest, and charges due thereon at the time of sale, will be sold at public

auktion at the capitol in the city of Albany. Such list shall be inserted in two newspapers published in such county, once in each week for twelve successive weeks prior to the commencement of the sale, and in the body of the newspapers and not in a supplement. If there are not two newspapers published in the county, the publication shall be in two newspapers which the comptroller shall determine to be most generally circulated in the county. Due proof of the publication of such list and notice in each newspaper shall be made and filed in the office of the comptroller within twenty days after the last publication. The expense of printing, publishing and transmitting such list shall be audited by the comptroller and paid out of the state treasury. No error in the description of the lands in any list published in any newspaper shall render any sale void or in any manner affect its validity.

The owner or occupant of any lands sold by the comptroller for taxes, or any other person having an interest therein at the time of the sale, may redeem the same from such sale at any time within one year after the last day of the sale, by paying to the state treasurer, on the certificate of the comptroller for the use of the purchaser, his heirs or assigns, the sum mentioned in the certificate of sale therefor, with interest thereon at the rate of ten per centum per annum, after the date of such certificate of sale. The purchaser of any wild, vacant or unoccupied land at any such sale, or his assigns, shall not enter upon or exercise acts of ownership on such land, until the expiration of one year allowed for the redemption thereof from such sale. A person having an interest in an undivided part of any tract, lot or piece of land so sold, or in an undivided share in any tract or lot of land out of which an undivided part shall have been sold, may redeem such undivided part or share by paying such proportion of the purchase-money and interest as shall be in proportion to the part or share of the lands sold which he shall claim. Every person having an interest in a specific part of any tract, lot or piece of land, so sold, or lot of land out of which an undivided part may have been sold for taxes charged on the whole tract or lot, may redeem such specific part by paying such proportion of the purchase-money and interest as his quantity of acres shall bear to the whole quantity of acres sold, or to the whole quantity taxed. Any person claiming a specific part of any tract or lot of land, out of which a

specific part belonging to some other person shall have been sold for taxes charged on the whole tract or lot, may exonerate himself from all liability to contribute to the owner of the part sold, by paying to the comptroller at any time before the expiration of the time allowed for the redemption thereof, such proportion of the purchase-money and interest as his quantity of acres shall bear to the whole quantity taxed, and such payment shall operate as a redemption of this proportionate part of the lands sold according to the amount paid. Upon a partial redemption under this section, the quantity sold shall be reduced in proportion to the amount paid on such partial redemption and the comptroller shall convey accordingly.

February 1.

On or before this date foreign and domestic investment companies, safe deposit companies, personal loan companies, savings and loan associations and credit unions file report with Superintendent of Banks as of the morning of January 1st preceding, unless an extension of time is granted as provided in Banking Law, Sec. 49 (Banking Law, Secs. 298, 329, 365, 413, 477). The text of the section (Sec. 329) relating to safe deposit companies is given below. Those which relate to the other classes of corporations above mentioned are practically identical, except that in the case of credit unions the penalty for failure to report is \$5.00 per day instead of \$10.00.

On or before the first day of February in each year, every safe deposit company shall make a written report to the superintendent of banks which shall contain a statement of its condition on the morning of the first day of January in said year. Every such report shall be verified by the oaths of the two principal officers in charge of the affairs of the safe deposit company at the time of such verification, which shall state that the report is true and correct in all respects to the best of the knowledge and belief of the persons verifying it, and that the usual business of the safe deposit

company has been transacted at the location required by this article and not elsewhere.

Every safe deposit company shall also make such other special reports to the superintendent as he may from time to time require, which shall be in such form and filed at such date as may be prescribed by the superintendent and shall, if required by him, be verified in such manner as he may prescribe.

If any safe deposit company shall fail to make any report required by this section on or before the day designated for the making thereof, or shall fail to include therein any matter required by the superintendent, it shall forfeit to the people of the state the sum of ten dollars for every day that such report shall be delayed or withheld, and for every day that it shall fail to report any such omitted matter, unless the time therefor shall have been extended by the superintendent as provided by section forty-nine of this chapter.

That part of section 49 which is above referred to reads as follows:

2. He may extend for not exceeding ten days in the case of a bank, trust company, private banker or individual banker, and for not exceeding twenty days in the case of any other corporation to which this chapter is applicable or of a personal loan broker, the time within which any such corporation, banker or broker is required to make and file any report to the superintendent.

February 1.

Last day for Board of Taxes and Assessments in New York City to render decision on applications to review assessments for current year. (For text of law see page 205.)

February 11.

Last day for foreign and domestic investment companies, safe deposit companies, personal loan companies, savings and loan associations and credit unions

to file annual report with Superintendent of Banks if extension has been granted. (For text of law see page 70.)

February 14.

Last day to pay franchise taxes payable under Tax Law, Sec. 182, without penalty. After this date a penalty of five per cent plus one per cent per month is added to the tax (Tax Law, Sec. 197). (For text of section 182 and classes of corporations taxable thereunder see page 217.)

February 15.

Last day for insurance corporations of all classes except life, health and casualty companies to file statement with Superintendent of Insurance as of December 31st preceding. (For text of law see page 43.)

February 28.

Last day for life, health and casualty insurance corporations to file statement with Superintendent of Insurance as of December 31st preceding. (For text of law see page 43.)

PENNSYLVANIA.**February 1.**

In the city of Philadelphia 1% plus interest from December 31st preceding is added to unpaid taxes of previous year (Act April 19, 1883, Sec. 13, P. L. 12).

February 28.

Last day for foreign and domestic corporations to file capital stock reports and reports of corporate loans, unless extension is obtained from Auditor General. (For text of law see page 53.)

February 28.

Last day for foreign corporations to file bonus report, unless extension is obtained from Auditor General. (For text of law see page 52.)

MARCH.**FEDERAL.****March 1.**

Corporations deriving income from child labor must make return thereof (Rev. Act 1918, Secs. 1200, 1204, 1205, 1207) as follows:

Sec. 1200.

That every person (other than a bona fide boys' or girls' canning club recognized by the Agricultural Department of a State and of the United States) operating (a) any mine or quarry situated in the United States in which children under the age of sixteen years have been employed or permitted to work during any portion of the taxable year; or (b) any mill, cannery, workshop, factory, or manufacturing establishment situated in the United States in which children under the age of fourteen years have been employed or permitted to work, or children between the ages of fourteen and sixteen have been employed or permitted to work more than eight hours in any day or more than six days in any week, or after the hour of seven o'clock post meridian, or before the hour of six o'clock ante meridian, during any portion of the taxable year, shall pay for each taxable year, in addition to all other taxes imposed by law, an excise tax equivalent to 10 per centum of the entire net profits received or accrued for such year from the sale or disposition of the product of such mine, quarry, mill, cannery, workshop, factory, or manufacturing establishment.

Sec. 1204.

That on or before the first day of the third month following the close of each taxable year, a true and accurate return under oath shall be made by each person subject to the provisions of this title to the collector for the district in which such person has his principal office or place of business, in such form as the Commissioner, with the approval of the Secretary, shall prescribe, setting forth specifically the gross amount of income received or accrued during such year from the sale or disposition of the product of any mine, quarry, mill, cannery, workshop, factory, or manufacturing establishment, in which children have been employed subjecting him to the tax imposed by this title, and from the total thereof deducting

the aggregate items of allowance authorized by this title, and such other particulars as to the gross receipts and items of allowance as the Commissioner, with the approval of the Secretary may require.

Sec. 1205.

That all such returns shall be transmitted forthwith by the collector to the Commissioner, who shall, as soon as practicable, assess the tax found due and notify the person making such return of the amount of tax for which such person is liable, and such person shall pay the tax to the collector on or before thirty days from the date of such notice.

Sec. 1207.

That as used in this title the term "taxable year" shall have the same meaning as provided for the purposes of income tax in section 200. The first taxable year for the purposes of this title shall be the period between sixty days after the passage of this act and December 31, 1919, both inclusive, or such portion of such period as is included within the fiscal year (as defined in section 200) of the taxpayer.

March 1.

Corporations make return in duplicate to Collector of Internal Revenue on form 1013 of taxes withheld from interest on corporate bonds or other obligations during the preceding calendar year (Regulations 45, Art. 370) as follows:

(a) Every withholding agent shall make an annual return to the collector of the tax withheld from interest on corporate bonds or other obligations on or before March 1 on form 1013 (revised). He shall also make a monthly return on form 1012 (revised) on or before the 20th day of the month following that for which the return is made. The original ownership certificates, or the substitute certificates where authorized, must be forwarded to the collector with the monthly return. (b) Every person required to deduct and withhold any tax from income other than such bond interest shall make an annual return thereof to the collector on or before March 1 on form 1042 (revised), accompanied by a separate report on form 1098 (revised) for each nonresident alien individual or foreign corporation not engaged in trade or business

within the United States and not having any office or place of business therein, to whom income other than bond interest was paid during the previous taxable year. In every case of both classes the tax withheld must be paid on or before June 15 of each year to the collector.

March 1.

Corporations make return in duplicate to Collector of Internal Revenue on form 1042 of taxes other than interest on corporate bonds, etc., deducted from income paid during the preceding calendar year (Regulations 45, Art. 370. For text see under preceding entry).

March 10.

Monthly returns required from dealers in leaf tobacco and manufacturers of playing cards. For details see entries in January.

March 15.

Corporations which during the preceding calendar year have made payments of interest on corporate bonds, mortgages, etc., on which no tax has been withheld make return thereof to Commissioner of Internal Revenue (Sorting Division) on form 1096B (Regulations 45, Art. 373) as follows:

Where a debtor corporation or its duly authorized withholding agent has made payments of interest on its bonds, but in certain instances has been required to withhold no tax, the ownership certificates on form 1001 (revised) filed in connection with such payments shall be transmitted directly to the Commissioner (Sorting Division), accompanied by a return on form 1096A showing the number of ownership certificates thus transmitted and the total amount of interest paid. This return shall be made by the 20th day of each month following that for which the return is made and need not be sworn to. An annual return shall be forwarded to the Commissioner not later than March 15 of each year on form 1096B, on which shall be given a summary of the monthly returns. To the extent that there has been actual withholding of the tax returns should be made in accordance with article 370.

March 15.

Corporations make returns of information of payments of income of \$1,000 or over to Commissioner of Internal Revenue (Rev. Act 1918, Sec. 256; Regulations 45, Art. 1071. See "Notes on Returns of Information" on page 299 hereof).

March 15.

Returns due from corporations of income received during preceding calendar year, unless extension of time has been obtained or return is made on a fiscal year basis. If a corporation is in the hands of a receiver, the receiver makes the return. Corporations acting as executor, trustee, guardian, etc., must also make returns in that capacity (Rev. Act 1918, Secs. 227 (a), 241; Regulations 45, Arts. 421-425) as follows:

Sec. 227.

(a) That returns shall be made on or before the fifteenth day of the third month following the close of the fiscal year, or, if the return is made on the basis of the calendar year, then the return shall be made on or before the fifteenth day of March. The Commissioner may grant a reasonable extension of time for filing returns whenever in his judgment good cause exists and shall keep a record of every such extension and the reason therefor. Except in the case of taxpayers who are abroad, no such extension shall be for more than six months.

Sec. 241.

(a) That returns of corporations shall be made at the same time as is provided in subdivision (a) of section 227.

(b) Returns shall be made to the collector of the district in which is located the principal place of business or principal office or agency of the corporation, or, if it has no principal place of business or principal office or agency in the United States, then to the collector at Baltimore, Maryland.

Art. 421.

Every fiduciary, or at least one of joint fiduciaries, must make a return (a) for the individual whose income is in his charge, if the net income of such individual is \$2,000 or over, if married and living with husband or wife, or is \$1,000 or over in other cases, or (b) for the estate or trust for which he acts, if the net income of such estate or trust is \$1,000 or over or if any beneficiary of such estate or trust is a nonresident alien. The return in case (a) and also in case (b) if the tax is payable by the fiduciary shall be on form 1040 (revised), except that it may be on short form 1040A (revised) where the net income does not exceed \$5,000. The return shall be on form 1041 (revised) in case (b) if the tax is payable by the beneficiaries. See section 219 of the statute and articles 341-344. If the net income of a decedent from the beginning of the taxable year to the date of his death was \$1,000, if unmarried, or \$2,000, if married, the executor or administrator shall make a return for such decedent.

Art. 422.

A fiduciary acting as the guardian of a minor having a net income of \$1,000 or \$2,000, according to the marital status of such person, must make a return for such minor on form 1040 (revised) or 1040A (revised) and pay the tax, unless such minor himself makes a return or causes it to be made. A fiduciary acting as the committee of an insane person having an income of \$1,000 or \$2,000, according to the marital status of such person, must make a return for such incompetent on form 1040 (revised) or 1040A (revised) and pay the tax. In either case, if the fiduciary is also acting for other beneficiaries, such a return shall be rendered in addition to the returns required by the preceding article.

Art. 423.

In the case of two or more trusts the income of which is taxable to the beneficiaries, which were created by the same person and are in charge of the same trustee, the trustee shall make a single return on form 1041 (revised) for all such trusts, notwithstanding that they may arise from different instruments. When, however, a trustee holds trusts created by different persons for the benefit of the same beneficiary, he shall make a return on form 1041 (revised) for each trust separately.

Art. 424.

A receiver who stands in the stead of an individual or corporation must render a return of income and pay the tax for his trust, but a receiver of only part of the property of an individual or corporation need not. If the receiver acts for an individual the return shall be on form 1040 (revised) or 1040A (revised). When acting for a corporation a receiver is not treated as a fiduciary, and in such case the return shall be made as if by the corporation itself. See section 239 of the statute. A receiver in charge of the business of a partnership shall render a return on form 1065 (revised). A receiver of the rents and profits appointed to hold and operate a mortgaged parcel of real estate, but not in control of all the property or business of the mortgagor, and a receiver in partition proceedings, are not required to render returns of income. In general, statutory receivers and common law receivers of all the property or business of an individual or corporation must make returns. Every receiver for an individual, partnership, or corporation, whether or not of all the property or business, must render a return of information under section 256 of the statute.

Art. 425.

Where a citizen or resident fiduciary has the distribution of trust income for which there is a nonresident alien beneficiary, the fiduciary must make a return on form 1040 (revised) or 1040A (revised) for such nonresident alien and pay the tax. If there are two or more beneficiaries, the fiduciary shall render a return on form 1041 (revised) and also a return on form 1040 (revised) or 1040A (revised) for each nonresident alien beneficiary.

March 15.

First quarter of income and excess profits tax due and payable, unless extension of time has been obtained or return is made on a fiscal year basis (Rev. Act 1918, Sec. 250 (a); Regulations 45, Arts. 1001 to 1007). The text of these articles is as follows:

Art. 1001.

The tax, unless paid at the source, is to be paid to the collector in four equal installments, the first at the time for filing the return and the others at intervals of three months thereafter, or it may at the option of the taxpayer be paid in a single payment on or before the time for filing the return or such time as extended. An extension of time for filing a return may postpone the date for payment of the first installment, but will not postpone the date of payment of the other installments unless so specified in each case. Upon failure to pay an installment on time, all of the tax remaining unpaid becomes due and payable upon notice and demand. Upon recomputation of the tax, if the amount already paid exceeds the correct amount of the installment or of the whole tax, the excess shall be credited against subsequent installments or other similar taxes then due from the taxpayer or, if there is no such installment or tax, shall be refunded to him; but if the amount already paid is less than the correct amount of the installment or tax then due, the difference shall be paid upon notice and demand. When the due date for the payment of taxes falls upon Sunday or a legal holiday, the due date will be the day next following such Sunday or legal holiday.

Art. 1002.

Section 3176 of the Revised Statutes, as amended by section 1317 of the Revenue Act of 1918, provides:

If any person, corporation, company or association fails to make and file a return or list at the time prescribed by law or by regulation made under authority of law, or makes, willfully or otherwise, a false or fraudulent return or list, the collector or deputy collector shall make the return or list from his own knowledge and from such information as he can obtain through testimony or otherwise. In any such case the Commissioner may, from his own knowledge and from such information as he can obtain through testimony or otherwise, make a return or amend any return made by a collector or deputy collector. Any return or list so made and subscribed by the Commissioner, or by a collector or deputy collector and approved by the Commissioner shall be *prima facie* good and sufficient for all legal purposes.

If the failure to file a return or list is due to sickness or absence, the collector may allow such further time, not exceeding thirty days, for making and filing the return or list as he deems proper.

The Commissioner of Internal Revenue shall determine and assess all taxes, other than stamp taxes, as to which returns or lists are so made under the provisions of this section. In case of any failure to make and file a return or list within the time prescribed by law, or prescribed by the Commissioner of Internal Revenue or the collector in pursuance of law, the Commissioner of Internal Revenue shall add to the tax 25 per centum of its amount, except that when a return is filed after such time and it is shown that the failure to file it was due to a reasonable cause and not to willful neglect, no such addition shall be made to the tax. In case a false or fraudulent return or list is willfully made, the Commissioner of Internal Revenue shall add to the tax 50 per centum of its amount.

The amount so added to any tax shall be collected at the same time and in the same manner and as part of the tax unless the tax has been paid before the discovery of the neglect, falsity, or fraud, in which case the amount so added shall be collected in the same manner as the tax.

(End of Sec. 3176, Revised Statutes.)

Accordingly, if a return is not made on time or is false, and the collector or Commissioner makes a return, the amount of tax determined to be due under such substitute return shall be paid in full upon notice and demand by the collector. See further articles 441-445, 1004 and 1005.

Art. 1003.

Where the time for the payment of any installment of the tax is postponed at the request of the taxpayer, interest at the rate of 6 per cent per annum is added from the original due date. If an understatement of the tax in the return is due to the negligence of the taxpayer, but without intent to defraud, interest at the rate of 12 per cent per annum is added to the amount of the deficiency of each installment from the time the installment was due. If any tax remains due and unpaid for ten days after notice and demand by the collector, or in the case of the first installment as computed by the taxpayer remains due and unpaid for ten days, interest at the rate of 12 per cent per annum is added from the due date, except that the interest on any amount which is the

subject of a bona fide claim for abatement shall be at the rate of 6 per cent per annum, and except that no interest is added in the case of estates of insane, deceased or insolvent persons. But if any part of a claim for abatement on the ground of a loss in inventory under section 214 (a) (12) of the statute is disallowed, interest from the due date at the rate of 12 per cent per annum will be added to the tax not abated; and interest is to be added in all cases in which the demand of payment is made of the taxpayer personally, although he subsequently dies, or becomes insane or insolvent, so that collection of the tax is made from his estate in the hands of his representative. See further articles 1005 and 1006.

Art. 1004.

In case of failure to make a return on time, a penalty of 25 per cent of the amount of the tax is added to it, unless the return is later filed and the failure to file it is satisfactorily shown to be due to a reasonable cause. See article 1002. Two classes of delinquents are liable to the penalty: (a) those who do not file returns and for whom returns are made by the collector or Commissioner; and (b) those who file tardy returns and are unable to show reasonable cause for the delay. Taxpayers wishing to avoid the penalty must make an affirmative showing of the facts alleged as a reasonable cause for failure to make a return on time in the form of an affidavit under oath which should be attached to the return. Where an overdue return is filed without such an affidavit, the collector may notify the taxpayer that unless within ten days an affidavit ~~is~~ filed fully explaining the cause of delinquency, the 25 per cent penalty will be assessed. If the explanation is not then furnished, the 25 per cent penalty will be assessed with the tax. If the explanation is furnished with the return or upon the collector's demand, the collector, unless otherwise directed by the Commissioner, will forward the affidavit with the return, and if the Commissioner determines that the delinquency was not due to a reasonable cause the 25 per cent penalty will be assessed. "Reasonable cause" is such a condition of fact that had the taxpayer in default exercised ordinary business care and prudence it would have been impracticable or impossible for him to file a return in the prescribed time. See also section 253 of the statute and article 1041.

Art. 1005.

(a) If an understatement of the amount of the tax in a return of income is due to negligence on the part of the taxpayer, but without intent to defraud, a penalty of 5 per cent of the amount of the deficiency is added; but (b) if the understatement of the tax is false with intent to evade the tax, a penalty of 50 per cent of the amount of the deficiency is added. (c) In case a false or fraudulent return is willfully made, other than as specified in (b) above, a penalty of 50 per cent of the amount of the tax is added. See articles 1002 and 1003. In general, negligence is attributable to the taxpayer if he computes the tax in disregard of the instructions on the return form or otherwise incorrectly, unless he can show that his error was due to an honest misunderstanding of the facts or the law of which an average reasonable man might be capable. See also section 253 of the statute and article 1041.

Art. 1006.

If any tax or installment thereof remains due and unpaid for ten days after notice and demand by the collector (the instructions on the return serve as notice and demand in the case of the first installment as computed by the taxpayer), a penalty of 5 per cent is added. When, however, upon an assessment of a tax and demand made for payment, a bona fide claim for its abatement is filed within 10 days after such demand, no penalty is imposed. Upon receipt of a notice of rejection of the claim (or so much thereof as is not allowed), the collector will notify the claimant and demand the payment of the tax. If the tax is not then paid within 10 days, the 5 per cent penalty will be assessed on the amount of tax not abated. If abatement of the entire tax assessed is not demanded in a claim, and the balance of the tax is not paid within the required 10 days, the 5 per cent penalty will immediately accrue on such balance. See also article 1003. The estate of a deceased person, regardless of the date of his death, or of an insane or insolvent person, cannot be charged with liability to the 5 per cent penalty on account of his or the fiduciary's delinquency in making payment of taxes. Where a warrant of distraint is served, \$5 is added. For other penalties see section 253 of the statute and article 1041.

Art. 1007.

The service of a notice and demand by the collector on form 17 is complete upon mailing it, and the time within which the tax must be paid runs from the date of mailing the notice and not of its receipt by the taxpayer. But payment for the tax must actually reach the collector within the ten day period, and merely mailing a remittance before the expiration of the ten days is not sufficient. So, to avoid the prescribed penalties, no more than ten days may elapse after the mailing of the notice before the payment is in the collector's hands. See section 3184 of the Revised Statutes. By reason, however, of absence from their homes or places of business in foreign countries or in the military or other service of the country and the consequent delay in receiving mail, or in the case of a corporation, by reason of the location of its office to which the notice was addressed at a distance from the collector's office, it is impossible for many persons to receive a notice and demand and to make payment of the tax so that such payment may be received by the collector within the ten day period following the service of notice and demand, and in all such cases the collector will enter on the notice as the date on which the tax becomes due and payable a date as nearly as possible ten days after the time that the notice should be received in the ordinary course of the mails by the taxpayer. In such cases when it appears that a remittance for the tax was placed in the mails within the ten day period after the date specified in the notice, and in cases where tardiness is occasioned because the notice was not delivered in due time by reason of delay in the mail and satisfactory evidence of that fact is furnished, the penalty and interest will not be collected.

March 20.

Various monthly returns must be made by corporations of different classes. For details see entries in January under "20th day of each month."

March 31.

Various monthly returns must be made by corporations of different classes. For details see entries in January under "Last day of each month."

DELAWARE.**March 1.**

All insurance companies file with Insurance Commissioner financial statement covering preceding calendar year (Code 1915, Par. 574) as follows:

Every insurance company doing the business of insurance within this state shall annually on or before the first day of March deliver to the Insurance Commissioner a full detailed statement of the condition and business of such company for the year ending on the previous thirty-first day of December, which statement shall be verified by the oath or affirmation of the president or vice-president and secretary or other officer. Provided, that of the statement of the United States branch of any foreign company certification by the manager of said branch in the United States shall be sufficient. Said statement shall be on blanks prepared and furnished by the Insurance Commissioner for that purpose, and shall contain the name of the company, where located, when and where incorporated or organized, the amount of paid-up capital, with a detailed statement of all assets, showing the amount of cash on hand, in bank, or in the hands of agents, the amount and actual value of real estate owned by the company, and the amount of incumbrances thereon; the number of government, state and municipal and other bonds owned, and the market and par value of the same; the number of shares of stock of every kind owned, and the market value and par value of the same; the amount loaned on bonds and mortgages, with the actual cash value of the property mortgaged, and whether such property is subject to any other lien or liens paramount to such mortgage, and the aggregate amount of such paramount liens; the amount loaned on all other securities, stating the name and kind of securities, and the amount loaned on each; also stating the liability and indebtedness of such company; the amount of losses against the company adjusted and unpaid, the amount in process of adjustment or in suspense, including all reported and supposed losses, losses resisted, including interest and other expenses thereon; and all other liabilities, claims and demands whatsoever against the company, and all other information necessary and proper to fully set forth a full and fair exhibit of its business and standing.

First Tuesday of March.

Board of Revision holds hearing to revise local assessments in Kent county (Code 1915, Par. 1113).

First Tuesday of March.

Levy courts of New Castle and Sussex counties sit to hear tax appeals (Code 1915, Par. 1062).

Second Tuesday of March.

Levy court of Kent county sits to hear tax appeals (Code 1915, Par. 1062).

Third Tuesday of March.

Franchise taxes become due and payable; may be paid without penalty until July 1 (Code 1915, Par. 106) as follows:

The Secretary of State shall certify and report to the State Treasurer, on or before the third Tuesday of March in each year, a statement of the basis of the annual license fee or franchise tax determined from the annual report filed by each corporation as hereinbefore required and the amount of tax due thereon respectively, at the rate fixed by section 68 of this chapter; such tax shall thereafter become due and payable and it shall be the duty of the State Treasurer to immediately notify all corporations of the amount of such license fee or franchise tax due and payable by them and to receive the same; if the tax of any corporation or company remains unpaid on the first day of July after the same becomes due, the same shall thenceforth bear interest at the rate of one per centum for each month until paid; the Secretary of State shall have power to inquire into the truth or falsity of every report required to be filed by sections 66 and 82 of this chapter as may be necessary to carry out the provisions hereof; and may require the production of the books of any such corporation and may swear or affirm and examine witnesses in relation thereto.

MAINE.**March 1.**

Foreign corporations, except banking corporations of all kinds, surety, safe deposit, insurance and public service corporations, pay to the Treasurer of State for the use of the estate a license fee of ten dollars (Rev. Stats., 1916, Chap. 51, Sec. 111).

March 1.

On or before this date fraternal beneficiary associations report to Insurance Commissioner their financial transactions for the preceding calendar year (Rev. Stats. 1916, Chap. 54, Sec. 16).

Note: This does not apply to Masons, Odd Fellows, or Knights of Pythias not having as their principal object the issuance of insurance certificates. (Same, Sec. 19.) Penalty for failure to file report is \$5.00 fine for each day's neglect.

March 1.

Domestic business corporations which have failed to pay their franchise tax for the preceding year are reported by the Treasurer of State to the Attorney-General for forfeiture proceedings (Rev. Stats. 1916, Chap. 9, Sec. 22) as follows:

The treasurer of state, whenever any tax due under the four preceding sections from any company shall have remained in arrears for a period of six months after the same shall have become payable, shall report the same to the attorney-general, who shall forthwith apply to the supreme judicial court in equity in

the name of the state, for the forfeiture of the charter of such delinquent corporation, and said court shall order such notice to all parties interested as it may deem proper and shall have jurisdiction in said cause to appoint receivers, issue injunctions and pass interlocutory decrees and orders according to the usual course of proceedings in equity, and to make such final orders and decrees as the nature of the case may require.

Last Saturday of March.

Domestic trust and banking companies make semi-annual return to Bank Commissioner as of this date (Rev. Stats. 1916, Chap. 9, Sec. 71) as follows:

Every trust and banking company incorporated under the laws of this state, shall, semi-annually on the last Saturdays of March and September, make a return signed and sworn to by its treasurer, of the average amount of its time deposits bearing interest at the rate of three per cent or more per annum for the six months preceding each of said days, together with a statement in detail of the amount of United States bonds, the shares of corporation stocks such as are by law of this state free from taxation to the stockholders. For wilfully making a false return, the treasurer of the corporation forfeits not less than five hundred, nor more than five thousand dollars. Said return shall be made to the bank commissioner, on or before the first Saturdays of April and October, and within thirty days thereafter, he shall fix and determine the market values of the United States bonds, and the shares of corporation stocks returned as aforesaid, and transmit said returns with such values so determined to the board of state assessors for the assessment required by the following section.

The board of state assessors shall thereupon deduct from the average amount of the time and interest bearing deposits so returned, an amount equal to the value so determined of the United States bonds, all bonds issued after the first day of February, nineteen hundred and nine, by this state, or any county, municipality, village corporation or water district therein, the shares of corporation stocks such as are by law of this state free from taxation to stockholders, and upon the balance so found, assess an annual tax of one-half of one per cent; one-half of said tax shall be assessed on or before the fifteenth day of May on the balance

of said deposits so ascertained for the six months ending on and including the last Saturday of March, and one-half on or before the fifteenth day of November on the balance of said deposits so ascertained for the six months ending on and including the last Saturday of September. The board of state assessors shall thereupon certify said assessment to the treasurer of state, who shall forthwith notify the several trust and banking companies interested, and all taxes so assessed shall be paid semi-annually within ten days after the fifteenth days of May and November.

If this return is not made, “ the Board of State Assessors shall make an assessment of a state tax upon such corporation . . . on such valuation . . . as they think just, with such evidence as they may obtain, and such assessment shall be final.” (Same, Sec. 75.)

Last Saturday of March.

Savings banks make semi-annual return of deposits etc., to Bank Commissioner as of this date (Rev. Stats. 1916, Chap. 9, Secs. 59, 60) as follows:

Sec. 59.

Every savings bank and institution for savings incorporated under the laws of the state, shall, semi-annually, on the last Saturdays of March and September, make a return, signed and sworn to by its treasurer, of the average amount of its deposits, reserve fund and undivided profits for the six months ending on each of said days, together with a statement in detail of its assets, loans and investments and its deposits within and without the state, in separate columns. Said return shall be made to the bank commissioner on or before the first Saturdays of April and October and within thirty days thereafter, he shall fix and determine the market values of the investments aforesaid and transmit the same with such values so determined, to the board of state assessors for the assessment required by the following section.

Sec. 60.

The board of state assessors shall thereupon determine the values of the several franchises of the said banks and institutions according to the following rule; from the average amount of deposits, reserve fund and undivided profits so returned by each bank or institution there shall in each case be deducted an amount equal to the value so determined of the United States bonds, all bonds issued after the first day of February nineteen hundred and nine by this state, or any county, municipality, village corporation or water district therein, the shares of corporation stocks such as are by law of this state free from taxation to the stockholders, and the assessed value of real estate owned by the bank or institution, and also an amount equal to two-fifths of the value so determined of such other assets, loans and investments as by such statement appear to be loans to persons resident or corporations located and doing business in this state, investments in mortgages on real estate in this state, securities of this state, public or private, bonds issued by corporations located and doing business in this state or guaranteed by such corporations, provided, the corporations issuing such bonds be operated by and physically connected with such guaranteeing corporations, and also an amount equal to two-fifths of the cash on hand and cash deposited within the state. Upon the value of each of said franchises so ascertained the board of state assessors shall assess an annual tax of five-eighths of one per cent; one-half of said tax shall be assessed on or before the fifteenth day of May, and one-half on or before the fifteenth day of November. The board of state assessors shall thereupon certify said assessments to the treasurer of state, who shall forthwith notify the several banks and institutions interested. All taxes so assessed shall be paid semi-annually within ten days after the fifteenth days of May and November.

The penalty imposed for failure to file this return is the same as that imposed against domestic trust and banking companies (see page 88).

Last secular day of March.

Loan and building associations make return of assets and liabilities as of this date (Rev. Stats. 1916, Chap. 9, Secs. 64, 65) as follows:

Every loan and building association doing business in this state shall semi-annually on the last secular days of March and September make a return, signed and sworn to by its secretary, of its assets and liabilities in detail, of the net amount of its investments other than in loans to individuals or corporations on real estate and on shares of the association, during the six months ending on each of said days, and of the monthly capital dues paid in by its shareholders during the six months ending on each of said days, exclusive of withdrawals, fines, interest and premiums. Said returns shall be made to the board of state assessors on or before the second Mondays of April and October, and for wilfully making a false return, the secretary forfeits not less than five hundred dollars nor more than five thousand dollars. The treasurer of such association shall pay to the treasurer of state a tax of one-fourth of one per cent a year on the amount of monthly capital dues so returned, and a further tax of one-half of one per cent on the average amount so returned of the investments of such associations other than in loans to individuals and corporations on real estate and on shares of the association.

One-half of said tax shall be assessed on the amount so returned for the six months ending on the last secular day in March and the other half on the amount so returned for the six months ending on the last secular day in September; and such tax shall be paid semi-annually, within ten days after the first Mondays in May and November.

MASSACHUSETTS.

March 1.

Last day for corporations acting as trustee to file report of trust income. (For text of law see page 20.)

March 1.

✓ Last day for corporations to file returns of employes, stockholders, bondholders, etc., for income tax. (For text of law see page 22.)

March 1.

Last day to which Insurance Commissioner may extend time of insurance companies to file annual report. (For details of law see page 23.)

March 1.

Last day to which Tax Commissioner may extend time of insurance companies to file annual tax return. (For text of law see page 19.)

NEW JERSEY.**March 1.**

Foreign insurance companies and agents thereof must renew their certificates of authority to do business in New Jersey before this date (Laws 1902, Chap. 134, Sec. 59, sub. 4; Sec. 63).

March 1 to 31.

During this period list of delinquent personal taxpayers is published twice (General Tax Act, Revision of 1918, Sec. 601) as follows:

In first class cities the comptroller, and in all other municipalities the collector or other officer charged with the duty of the collection of taxes, shall annually, in the month of March, unless otherwise directed by vote of one more than a majority of the governing body, publish a list of the names of all delinquents for personal taxes and the amounts due in a newspaper published in said city or other municipality, or where none is published therein a newspaper circulating in said city or other municipality, and a second publication shall be made two weeks after the first of the same list, omitting the names of those who have paid the tax in the interval; ten cents per name for each insertion shall be paid to the publisher and added to the tax.

NEW YORK.**March 1.**

Franchise tax reports due from insurance companies (Tax Law, Sec. 192, sub. 5) as follows:

5. Insurance corporations. Every insurance corporation liable to pay a tax under section one hundred and eighty-seven of this chapter, shall, on or before March first in each year, make a written report to the tax commission of its condition at the close of its business on December thirty-first preceding, stating the gross amount of all premiums referred to in section one hundred and eighty-seven of this chapter, received during the preceding calendar year on business done thereby in this state during the year ending with such day and at all times prior thereto, whether the premiums were in money or in the form of notes, credits or other substitutes for money.

(For text of section 187 see page 146.)

March 1.

Corporations doing a life or casualty insurance business on the co-operative plan file report with Superintendent of Insurance as of December 31st preceding (Insurance Law, Sec. 202) as follows:

Every such corporation, association or society doing a life or casualty insurance business, or both upon the co-operative or assessment plan, as herein defined, shall, on or before the first day of March in each year, make and file with the superintendent of insurance a report of its affairs and its operations during the year ending on the thirty-first day of December immediately preceding, which report shall be in lieu of all other reports required by this chapter. Such reports shall be verified by such of the officers of the corporation, association or society as the superintendent may require.

March 1.

Domestic and foreign fraternal benefit societies file report of condition with Superintendent of Insurance as of December 31st preceding (Insurance Law, Sec. 242, subs. 1, 2) as follows:

1. Every society transacting business in this state shall, annually, on or before the first day of March, file with the superintendent of insurance, in such form as he may require, a statement under oath of its president and secretary, or corresponding officers, of its condition and standing on the thirty-first day of December last preceding, and of its transactions for the year ending on that date, and shall also furnish such other information as the superintendent may deem necessary to a proper exhibit of its business and plan of working. Such superintendent may at other times require any further statement he may deem necessary to be made relating to such society.

2. In addition to the annual report herein required, each society shall report, annually, to the superintendent a valuation of its certificates in force on December thirty-first last preceding, excluding those issued within the year for which the report is filed, in cases where the contributions for the first year, in whole or in part, are used for current mortality and expenses; provided the first report of valuation shall be made as of December thirty-first, nineteen hundred and twelve. Such report of valuation shall show, as contingent liabilities, the present midyear value of the promised benefits provided in the constitution and laws of such society under certificates then subject to valuation; and, as contingent assets, the present midyear value of the future net contributions provided in the constitution and laws as the same are in practice actually collected, not including therein any value for the right to make extra assessments. Provided that any excess of the present value of future contributions over the present value of promised benefits under certificates providing for disability benefits (other than total permanent disability in combination with death benefits) shall not be allowed in reduction of the liability under other forms of certificates. At the option of any society, in lieu of the above, the valuation may show the net value of the certificates subject to valuation, hereinbefore provided, and said

net value, when computed in case of monthly contributions, may be the mean of the terminal values for the end of the preceding and of the current insurance years.

March 1 to April 30.

Directors of banks and trust companies make semi-annual examination of its affairs (Banking Law, Secs. 130, 215). Sec. 130 is as follows: (Sec. 215 is practically identical with it):

It shall be the duty of the board of directors of every bank during the months of March or April and during the months of September or October in each year to examine, or to cause a committee of at least three of its members to examine, fully the books, papers and affairs of the bank, and the loans and discounts thereof, and particularly the loans or discounts made directly or indirectly to its officers or directors, or for the benefit of such officers or directors or for the benefit of other corporations of which such officers or directors are also officers or directors, or in which they have a beneficial interest as stockholders, creditors, or otherwise, with the special view of ascertaining their safety and present value, and the value of the collateral security, if any, held in connection therewith, and into such other matters as the superintendent of banks may require. Such directors shall have the power to employ such assistance in making such examination as they may deem necessary.

March 3.

Last day for foreign banks to pay annual franchise tax without penalty. After this date penalty of five per cent is added plus one per cent monthly (Tax Law, Sec. 197).

March 15.

Corporations paying wages, salaries, commissions, etc., of over \$1,000 to nonresidents make return and

pay tax of 2% thereon to State Comptroller (Tax Law, Sec. 366, subs. 1, 2, 3) as follows:

1. Every withholding agent shall deduct and withhold two per centum from all salaries, wages, commissions, gratuities, emoluments, perquisites and other fixed and determinable annual or periodical compensation of whatever kind and in whatever form paid or received, earned for personal services and taxable under this article, of which he shall have control, receipt, custody, disposal or payment, if the amount paid or received or to be paid or received in any taxable year on account of any individual equals or exceeds one thousand dollars, unless there shall be filed with the withholding agent, before the time when he is required to make return and payment thereof, a certificate in such form as shall be prescribed by the comptroller to the effect that the person entitled to such salary, wage, commission, gratuity, emolument, perquisite or other compensation is a resident and setting forth his residence address within the state.

2. Every withholding agent shall make return to the comptroller of complete information concerning the amount of all interest, rent, salaries, wages, premiums, annuities, compensations, remunerations, emoluments or other fixed or determinable gains, profits and income, except interest coupons payable to bearer, of any taxpayer taxable under this article of one thousand dollars or more in any taxable year under such regulations and in such form and manner and to such extent as may be prescribed by the comptroller.

3. Every withholding agent required to deduct and withhold any tax under subdivision one of this section shall make return thereof on or before the fifteenth day of March in each year and shall at the same time pay the tax to the comptroller. Every such individual, corporation or partnership is hereby made liable for such tax and is hereby indemnified against the claims and demands of any individual, corporation or partnership for the amount of any payments made in accordance with the provisions of this section.

March 15.

Corporations make return to State Comptroller of payments of rent, interest, salaries, wages, commis-

sions, premiums, etc., of \$1,000 or over. (For text of law see under preceding entry.)

March 31.

Last day to pay water charges for current year without penalty in New York City. (For text of law see page 34.)

PENNSYLVANIA.**March 1.**

On or before this date national and state banks and savings banks which elect so to do, collect from their shareholders and pay into the State Treasury a tax of ten mills on the dollar (1%) of the par value of all shares subscribed for or issued, and send notice to the Auditor General of their election so to do (Act July 15, 1897, P. L. 292).

March 1.

On or before this date national and state banks, savings banks and trust companies which elect so to do, pay into the State Treasury a tax on the actual value of all shares subscribed for or issued ($\frac{1}{2}\%$ in the case of trust companies and $\frac{2}{5}\%$ in the case of banks and savings banks) and file with the Auditor General a report showing how this value is computed (Act June 13, 1907, Sec. 1, P. L. 640).

March 1.

All foreign and domestic insurance companies file with Insurance Commissioner a statement of financial condition as of December 31 preceding and of their business during the previous calendar year.

For failure to file statement a fine of \$100 is imposed for every day of delinquency and the company's right to do new business may be suspended (Act June 1, 1911, Sec. 15).

March 1.

All foreign insurance companies authorized to do business in Pennsylvania make report to Insurance Commissioner of premiums received during preceding calendar year from business transacted in Pennsylvania and pay tax thereon (Act June 1, 1911, Sec. 16).

March 1.

In the city of Philadelphia 2% plus interest from December 31st preceding is added to unpaid taxes of previous year (Act April 19, 1883, Sec. 13, P. L. 12).

March 1 to April 30.

City and poor taxes in third-class cities paid during this period are entitled to discount of 1% (Act May 29, 1917; P. L. 1917, p. 315).

March 2.

Last day for domestic stock insurance companies to pay premium tax without penalty. After this date 10% is added to the tax. (For text of law, see page 47.)

March 31.

Last day to make first quarterly payment of local taxes in second-class cities without penalty (Act July 20, 1917; P. L. 1917, p. 1173).

March 31.

Certificates of authority issued to foreign insurance companies and to the agents of all insurance companies

expire on this date unless renewed (Act June 1, 1911, Sec. 13) as follows:

The insurance commissioner shall issue certificates of authority to insurance companies of other states and foreign governments and their agents, and to the agents of Pennsylvania companies and he may renew the certificate of authority of any mutual assessment life or accident association and its agents, which is now lawfully doing business in this commonwealth, beginning on the first day of April of each year, and continuing in force for one year unless sooner revoked by him; and any certificates issued after April first shall expire on the thirty-first day of March succeeding. Before granting certificates of authority to an insurance company to issue policies or make contracts of insurance he shall be satisfied, by such examination as he may make and such evidence as he may require, that such company is qualified under the laws of this commonwealth to transact business herein.

A P R I L .**FEDERAL.****April 10.**

Monthly returns required from manufacturers of playing cards and dealers in leaf tobacco. For details see entries under January.

April 14.

Last day to which Collector (not Commissioner) of Internal Revenue can extend time for filing income tax returns (Regulations 45, Art. 443) as follows:

It is important that the taxpayer render before the return due date a return as complete and final as it is possible for him to prepare. However, in cases of sickness or absence, collectors are authorized to grant an extension of not exceeding 30 days, where in their judgment such further time is actually required for the making of an accurate return. See article 1002. The application for such extension must be made prior to the expiration of the period for which the extension is desired. The absence or sickness of one or more officers of a corporation at the time the return is required to be filed will not be accepted as a reasonable cause for failure to file the return within the prescribed time, unless it is satisfactorily shown that there were no other principal officers available and sufficiently informed as to the affairs of the corporation to make and verify the return. As a condition of granting an extension of time for filing a return the collector may require the submission of a tentative return and estimate of the tax on form 1040 T in the case of individuals, or on form 1031 T in the case of corporations, and the payment of one-fourth of the estimated amount of tax.

April 20.

Various monthly returns must be made by corpora-

tions of different classes. For details see entries in January under “ 20th day of each month.”

April 30.

Various monthly returns must be made by corporations of different classes. For details see entries in January under “ Last day of each month.”

DELAWARE.**April 1 to 30.**

National and state banks, savings banks and trust companies make report to Insurance Commissioner as of such date as he may specify. Such report is due within 20 days after the Commissioner calls for it (Code 1915, Pars. 65, 66) as follows:

Par. 65.

Every corporation or company or association liable to pay a tax under the preceding section shall, within the months of April annually, make a written report to the Insurance Commissioner, upon blanks prepared and furnished by said commissioner for that purpose, of the amount of its capital stock, surplus and undivided profits, for the date for which he shall call for a statement during said month of April.

Par. 66.

Every report or statement, required by the preceding section, shall have annexed thereto the affidavit of the cashier, treasurer or trust officer of the corporation or company or association, attested by three of the directors, to the effect that the statements contained therein are true. The Insurance Commissioner may prescribe the form in which such report shall be made and the form of oath thereto. When so prescribed such forms shall be used in making the report or statement for the purpose of taxation under 64. The report or statement shall be made by the corporation, company or association, within twenty days from the time of the call for said report or statement, under a penalty of twenty dollars for each and every day exceeding the twenty days.

MAINE.**April 1.**

Real and personal property assessed as of this date (Rev. Stats. 1916, Chap. 10, Secs. 9, 13, 14).

April 1.

Insurance company taxes are due and payable from this date until May 1 (Rev. Stats. 1916, Chap. 9, Sec. 56).

April 1.

Treasurers of savings banks make return to town assessors of bank stock pledged as collateral (Rev. Stats. 1916, Chap. 9, Sec. 63) as follows:

Treasurers of savings banks, on the first day of each April shall return to the assessors of towns, where persons reside who own bank stock which is pledged or transferred to said bank as collateral security for loans, the names of persons pledging or transferring such stock and the amount of the same; and stock so pledged or transferred by persons residing out of the state shall be returned by such treasurers in the same manner to the assessors of the town in which the bank whose stock is so pledged or transferred is located. For the purpose of taxation, bank stock so pledged or transferred shall be deemed the property of the person so pledging or transferring it.

First Saturday of April.

Last day for domestic trust and banking companies to make semi-annual return to Bank Commissioner. (For text of law see page 88.)

First Saturday of April.

Last day for savings banks to make semi-annual return to Bank Commissioner. (For text of law see page 89.)

April 8.

Corporations make return to town assessors of stockholders, etc. (Rev. Stats. 1916, Chap. 51, Sec. 26) as follows:

Cashiers of banks, treasurers of trust and banking and safe deposit companies and clerks or treasurers of other corporations shall ascertain the residences of all stockholders in either; and no dividend shall be paid to any stockholders, whose residence, for the time being, is not entered on the books thereof; and the cashiers of banks, and clerks or treasurers of all corporations holding property liable to be taxed, shall, by the eighth day of April annually, return under oath, to the assessors of each town, in which any of its stockholders reside, the names of such stockholders, the amount of stock owned by them on the first day of such April, and the amount of stock paid into such corporations, and also the value of the real estate, vaults and safe deposit plant, owned by any bank, or trust and banking or safe deposit company which is taxed as other real estate is taxed in the town in which it is located and the amount for which it is valued by the assessors of such municipality for the year previous, and such return shall contain in the body thereof, or by note annexed thereto, an abstract of section thirty-three of chapter ten; and said cashiers of banks, treasurers of trust and banking and safe deposit companies, and clerks or treasurers of such other corporations shall make like returns to the assessors of the town where such bank, company or other corporation is located or transacts its ordinary business, of all the stock in such bank, company or other corporation not returned to the assessors of other towns in the state. Such returns shall be the basis of taxation on such property, deducting the assessed value of the real estate, vaults and safe deposit plant of any bank, trust and banking or safe deposit company as herein provided.

Note: This return is not required from corporations all of whose assets and business are outside the State of Maine.

Second Monday of April.

Last day for loan and building associations to make semi-annual return to Board of State Assessors. (For text of law see page 91.)

Last Saturday of April.

Last day for foreign banks to make semi-annual report to Bank Commissioner (Rev. Stats. 1916, Chap. 9, Sec. 68) as follows:

Such association or corporation and the manager or agent of such branch or agency, shall cause a written report to be made to the bank commissioner on or before the last Saturdays of April and October of each year, verified by the oath of such manager or agent, giving the amount of such business transacted in this state under the rule given in the preceding section, and stating the amount of state tax which such branch or agency is liable to pay, and setting forth in detail the daily average for each month preceding the last Saturdays of March and September; and also giving such further or additional information as to the business of such foreign banking association or corporation done in this state as may be required by the bank commissioner.

MASSACHUSETTS.**April 1.**

Taxes on real estate are assessed as of this date (Laws 1909, Chap. 490, Part I, Sec. 15 as amended) as follows:

Taxes on real estate shall be assessed, in the city or town in which the estate lies, to the person who is either the owner or in possession thereof on the first day of April, and the person appearing of record, in the records of the county, or of the district, if such county is divided into districts, in which the estate lies, as owner on the first day of April, even though deceased, shall be held to be the true owner thereof, and so shall the person so appearing of record under a tax deed which is not invalid on its face.

April 1.

Value of corporate franchises for purposes of taxation is estimated as of this date (Laws 1909, Chap. 490, Part III, Sec. 41).

April 1.

Taxes on real estate for the current year become a lien (Laws 1909, Chap. 490, Part II, Sec. 36) as follows:

Taxes assessed upon land, including those assessed under the provisions of sections sixteen, seventeen and eighteen of Part I, shall with all incidental charges and fees be a lien thereon from the first day of April in the year of assessment. Such lien shall terminate at the expiration of two years from the first day of October in said year, if the estate has in the meantime been alienated; otherwise it shall continue until an alienation thereof. There shall be no lien for taxes reassessed if the property is alienated before the re-assessment. Said taxes, if unpaid for fourteen days after demand therefor, may, with said charges and

fees, be levied by sale of the real estate, if the lien thereon has not terminated prior to the giving of the notice of sale.

April 1.

Excise tax on interest of domestic corporations in certain vessels assessed as of this date (Laws 1909, Chap. 490, Part III, Sec. 10) as follows:

The tax commissioner shall assess annually as of the first day of April an excise tax upon the interest of every corporation organized under the laws of this commonwealth and having a place of business therein, in any ship or vessel which has, during the period of its business in the year preceding said first day of April, been engaged in interstate or foreign carrying trade, which tax shall be one-third of one per cent upon the value of such interest as it shall be determined by him. Such tax shall become due and shall be collected at the same time and in the same manner as other taxes assessed to such corporations. The president and treasurer of every such corporation owning an interest in any such ship or vessel shall annually, within thirty days after the first day of April, make a return to the tax commissioner, under oath, setting forth in detail the name of the ship or vessel, the interest of the corporation therein, and the value of such interest. If the tax commissioner is satisfied of the truth of the return he shall deduct said value from the fair cash value of the shares of the corporation as estimated by him for the purpose of determining the true value of its corporate franchise under the provisions of this part.

April 1 to 10.

Cashiers of state and national banks file list of stockholders with local assessors (Laws 1909, Chap. 490, Part III, Sec. 14) as follows:

The cashier of every such bank shall make and deliver to the assessors of the city or town in which it is located, on or before the tenth day of April in each year, a statement under oath showing the name of each shareholder, with his residence and the number of shares belonging to him at the close of the business

day last preceding the first day of April, as the same then appeared on the books of said bank. If the cashier fails to make such statement, said assessors shall forthwith obtain a list of the names and residences of shareholders and of the number of shares belonging to each.

April 1 to 10.

✓ Domestic corporations, except banks and insurance companies, but including trust companies, make franchise tax return to Tax Commissioner (Laws 1909, Chap. 490, Part III, Sec. 40 as amended) as follows:

Every corporation organized under the general or special laws of the commonwealth for purposes of business or profit, having a capital stock divided into shares, except banks, whose shares are otherwise taxable under the provisions of this part, in addition to all returns required by its charter, and in addition to all returns otherwise required under the provisions of this part, shall annually, between the first and tenth days of April, make a return to the tax commissioner, under oath of its treasurer, stating the name of the corporation, its place of business, and setting forth as of the first day of April of the year in which the return is made: — First. The total authorized amount of the capital stock of the corporation; the amount issued and outstanding and the amount then paid thereon; the classes, if any, into which it is divided; the par value and number of its shares; the market value of the shares of its stock, or of each class of its stock, if there are two or more classes. Second. A statement in such detail as the tax commissioner may require of the works, structures, real estate, machinery, poles, underground conduits, wires and pipes, and of the merchandise and other assets belonging to the corporation, with the value thereof, and of the liabilities of the corporation; and in the case of domestic business corporations a statement of such assets as are without the commonwealth. Except in the case of domestic business corporations the returns required by this section shall also contain, in a form prescribed by the tax commissioner, a statement of the profit or loss which has resulted from the business of the corporation for the twelve months ending with the thirty-first day of December next preceding the year in which

the return is made. Third. A complete list of the shareholders of the corporation, their residences, the amount and class of stock, if more than one, belonging to each. If stock is held as collateral security, the list shall state the name and residence of the pledgor and of the pledgee.

. . . In the case of domestic business corporations the whole of said return, and in the case of other corporations so much of said return as relates to the profit or loss which has resulted from the business of the corporation shall be open only to the inspection of the tax commissioner, his deputy, clerks and assistants and such other officers of the commonwealth as may have occasion to inspect it for the purpose of assessing or collecting taxes.

April 1 to 10.

National banks and trust companies make returns to Tax Commissioner of funds held in trust (Laws 1909, Chap. 490, Part III, Sec. 37; Laws 1915, Chap. 233, Sec. 1).

Note: While the technical liability to make these returns still exists, these provisions of law have been practically superseded by the sections of the Income Tax Act quoted herein on pages 20 to 22.

April 1 to 10.

Foreign corporations file with Tax Commissioner a return of property subject to local taxation (Laws 1909, Chap. 490, Part III, Sec. 54) as follows:

Every foreign corporation which has property within the commonwealth subject to taxation under the laws thereof, shall annually, between the first and tenth days of April, beginning in the year nineteen hundred and nineteen, prepare and file in the office of the tax commissioner a return, in such form and with such detail as the tax commissioner may prescribe, signed and sworn to by its treasurer, showing all its property, real and personal subject to local taxation within the commonwealth on the first day of April and the location and value thereof.

April 1 to 30.

Domestic corporations file with Tax Commissioner a return of their interest in certain vessels. (For text of law see page 108.)

April 11.

Tax Commissioner gives notice by mail to corporations which have failed to file franchise tax returns (Laws 1909, Chap. 490, Part III, Sec. 58) as follows:

If a domestic business corporation fails to file its tax return before the tenth day of April of each year, or if a foreign corporation omits to file the certificate as required in section fifty-four, the tax commissioner shall give notice by mail, postage prepaid, to the corporation of its default, directed, in the case of a foreign corporation, to the resident manager, if any, in the United States, or to any other person designated by the corporation, by written notice filed in the office of the commissioner, as provided in section fifty-nine of chapter four hundred and thirty-seven of the acts of the year nineteen hundred and three for notice of the service of legal process, which notice to said foreign corporation shall contain a copy of this section and of sections sixty-five to sixty-eight inclusive of said chapter. If such business or foreign corporation fails to file such return or certificate within thirty days after such notice of default has been given or mailed, it shall forfeit to the commonwealth not less than five nor more than ten dollars for each day for fifteen days after the expiration of the said thirty days, and not less than ten nor more than two hundred dollars for each day thereafter during which such default continues, or any other sum, not greater than the maximum penalty or forfeiture, which the court may deem just and equitable, which, in the case of a foreign corporation, shall be recovered as herein provided.

Penalties and forfeitures incurred by any domestic business or foreign corporation which, being subject to the provisions of this act, omits to cause any certificate or return which may be required by the provisions of sections forty and fifty-four to be duly filed may be recovered in an action brought in the county of

Suffolk in the name of the commonwealth, or they may be recovered by an information in equity in the name of the attorney-general at the relation of the tax commissioner, brought in the supreme judicial court in the county of Suffolk. Upon such information, the court may issue an injunction restraining the further prosecution of the business of the corporation named therein until such penalties or forfeitures, with interest and costs, have been paid, and until the returns and certificates required by this act have been filed.

NEW JERSEY.**April 1. ✓**

✓ County Boards of Taxation deliver corrected duplicate assesment lists to collectors (General Tax Act, Revision of 1918, Sec. 509) as follows:

The county board of taxation shall, on or before the first day of April in each year, cause the corrected, revised and completed duplicates, certified by said board to be a true record of the taxes assessed, to be delivered to the respective collectors of the various taxing districts in their respective counties, and the said tax lists shall remain in the office of such board as a public record.

April 1 to June 1. ✓

✓ First half of taxes payable without penalty during this period (General Tax Act, Revision of 1918, Sec. 602) as follows:

Taxes shall be payable, one-half of the amount thereof on the first day of April, which, if not paid on or before the first day of June, will become delinquent on that date, and the taxpayer or property assessed will be subject to the penalties hereinafter prescribed.

NEW YORK.**April 1.**

Five per cent penalty added to unpaid water charges for current year in New York City. (For text of law see page 34.)

April 1.

Last day to pay tax on grounds used for shell-fisheries without penalty. After this date one per cent per month is added to the tax, and grounds may be sold for nonpayment (Conservation Law, Sec. 308).

April 1.

General property tax (except school tax) payable in Westchester county, and may be paid without penalty until May 1st (Laws 1916, Chap. 105, Secs. 15, 18).

April 15.

In Nassau county, last day for nonresidents to file request for notice of assessment with assessors of town where property is located (Laws 1917, Chap. 297, Sec. 15).

April 30.

Last day for foreign co-operative life and casualty insurance companies to file renewal certificate of authority with county clerk (Insurance Law, Sec. 204) as follows:

No such corporation, association or society organized under the laws of any other state or territory of the United States or District of Columbia, or foreign countries, except such secret fraternal societies having subordinate lodges or councils as are now authorized to transact business within this state with the consent of the superintendent, shall transact business herein until it has received from the superintendent of insurance a certificate of authority to do business in this state, a duplicate of which shall be filed in his office. The superintendent shall annually issue to such foreign corporation, association or society renewal certificates of authority to continue its business, if its annual report is satisfactory to him, which certificate shall be filed in the office of the clerk of the county where its principal office is located within this state, within sixty days after filing such annual report, and no such foreign corporation, association or society, except secret fraternal societies above specified, shall be authorized to continue such business after the expiration of such sixty days unless such certificate shall have been so received and filed. The superintendent shall refuse a certificate of authority or a renewal of the same to any such foreign corporation, association or society, except such secret fraternal societies, when, in his judgment, such refusal will best promote the public interests, or when by the laws of the state or territory under which the same is organized, the corporations, associations or societies of this state doing a life or casualty business upon the co-operative or assessment plan are not permitted to transact such business in such other state or territory. Provided, however, that except in the case of fraternal organizations, and except in the case of corporations complying with the conditions required of domestic corporations in procuring certificates for foreign states, as provided in section 204a of this act no certificate of authority to do business in this state except renewal certificates of authority to such corporations, associations or societies as were on April twenty-sixth, nineteen hundred and six, authorized to transact business within the state, shall be issued by the superintendent of insurance after June first, nineteen hundred and six. When any other state or territory shall impose any obligation upon such corporation, association or society of this state, or their agents transacting business in such other state or territory, the like obligations are hereby imposed upon similar corporations, associations or societies of such other state or

territory and their agents or representatives transacting business in this state, and such corporation, association or society of such other state or territory, and their agents and representatives shall pay all licenses, fees or penalties to, and make deposits with, the state treasurer imposed by the laws of such other state or territory upon any such corporation, association or society of this state doing business therein; and in case of failure to pay the same, the superintendent shall refuse the certificate of authority herein provided for, or cancel such certificate in case one shall have previously been issued.

April 30.

Last day for directors of banks and trust companies to make semi-annual examination. (For text of law see page 95.)

PENNSYLVANIA.**April 1.**

Annual certificates issued to foreign insurance companies and to the agents of all insurance companies begin to run on this date. (For text of law see page 100.)

April 1.

In the city of Philadelphia 3% plus interest from December 31st preceding is added to unpaid taxes of previous year (Act April 19, 1883, Sec. 13, P. L. 12).

April 1.

First quarterly payment of local taxes for current year in second-class cities becomes delinquent; 2% penalty added thereto plus $\frac{1}{2}\%$ monthly until paid (Act July 20, 1917; P. L. 1917, p. 1173).

April 30.

Last day to make second quarterly payment of local taxes in second-class cities without penalty (Act July 20, 1917; P. L. 1917, p. 1173).

April 30.

Last day to get benefit of 1% discount on city and poor taxes paid in third-class cities (Act May 29, 1917, P. L. 315).

M A Y.**FEDERAL.****May 10.**

Monthly returns required from dealers in leaf tobacco and manufacturers of playing cards. For details see entries under January.

May 20.

Various monthly returns must be made by corporations of different classes. For details see entries in January under "20th day of each month."

May 31.

Various monthly returns must be made by corporations of different classes. For details see entries in January under "Last day of each month."

DELAWARE.**May 1 to 31.**

Clerks of the peace of all counties publish notice to mercantile and manufacturing corporations to take out license (Code 1915, Sec. 196).

First Tuesday of May.

Local assessment lists and warrants are delivered to tax collectors in Kent and Sussex counties (Code 1915, Par. 1225).

MAINE.**May 1.**

Last day for foreign insurance companies to begin publication of condensed statement (Rev. Stats. 1916, Chap. 53, Sec. 117) as follows:

Every foreign insurance company, life excepted, doing business in the state, shall annually, before the first day of May, publish three weeks successively, in some daily or weekly paper printed in every county where it has a duly authorized agent, or issues policies, a condensed statement of its condition conformable to its last annual report to the commissioner, and every such insurance company which neglects or refuses to publish such statement, forfeits not less than fifty dollars.

May 1.

Last day for insurance companies to pay franchise tax without penalty. (Rev. Stats. 1916, Chap. 9, Sec. 56).

First Monday of May.

Semi-annual tax on loan and building associations due on this date and payable within ten days. (For text of law see page 91.)

First Monday of May.

Within ten days after this date foreign banks pay to the treasurer of state a tax of three-fourths of one per cent upon the business done in the state during the six months ending on the last Saturday of March preceding (Rev. Stats. 1916, Chap. 9, Sec. 67).

May 15.

One-half of annual tax on savings banks due on this date and payable within ten days. (For text of law see page 90.)

May 15.

One-half of annual tax on domestic trust and banking companies due on this date and payable within ten days. (For text of law see page 88.)

MASSACHUSETTS.**May 1.**

Time for filing annual "Gain and Loss Exhibit" by life insurance companies may be extended to this date (Laws 1907, Chap. 576, Sec. 101).

May 1.

Writ of mandamus may be issued against corporations which have failed to file returns required by the Income Tax Act (Laws 1916, Chap. 269, Sec. 13 as amended).

May 1 to 10.

Savings banks make semi-annual report of deposits to Tax Commissioner (Laws 1909, Chap. 490, Part III, Sec. 22) as follows:

Every savings bank and institution for savings shall semi-annually, on or before the tenth day of May and November, make a return to the tax commissioner, signed and sworn to by its president and treasurer, of the amount of its deposits on the first day of said May and November, and of the average amount of its deposits for the six months preceding each of said days. Every such corporation which neglects to make such return shall forfeit fifty dollars for each day during which such neglect continues. If it wilfully makes a false statement in such return it shall be punished by a fine of not less than five hundred nor more than five thousand dollars.

May 10.

On or before this date domestic and foreign life insurance companies make return to Tax Commissioner

of policies in force on December 31 preceding (Laws 1909, Chap. 490, Part III, Sec. 26) as follows:

A domestic or foreign company or association which is engaged by its officers or by agents as defined in chapter five hundred and seventy-six of the acts of the year nineteen hundred and seven and amendments thereof and additions thereto, in the business of life insurance within this commonwealth shall annually pay an excise tax of one-quarter of one per cent upon the net value of all policies in force on the thirty-first day of December of the year preceding that in which the tax is payable, issued or assumed by such company and held by residents of the commonwealth, as determined by the tax commissioner upon the return required under the provisions of this section and such other evidence as he may obtain. Every company or association subject to the provisions of this section shall annually, on or before the tenth day of May, make a return to the tax commissioner, signed and sworn to by its president or secretary and its actuary, giving in such detail as the tax commissioner shall require the total number of policies in force on the preceding thirty-first day of December held by residents of this commonwealth, the aggregate net value thereof and the aggregate amount insured. In respect to industrial business the aggregate net value so reported may be estimated upon the basis of such general averages or otherwise as shall be authorized by the tax commissioner with the approval of the insurance commissioner, but in respect to ordinary business the aggregate net value reported shall be the combined aggregate of the mean reserve computed for each policy, or each group of policies requiring a separate computation to determine their net value on the basis of valuation used or approved by the Massachusetts insurance department under the provisions of section eleven of chapter five hundred and seventy-six of the acts of the year nineteen hundred and seven and amendments thereof and additions thereto. Whenever the tax commissioner believes it to be for the best interests of the commonwealth he may require in addition to the above information the following details relating to each policy of ordinary business in force on the preceding thirty-first day of December and held by a resident of Massachusetts: the number, date, and class, the age of the assured life, the amount insured and the net value. The books, papers and

accounts of every such life insurance company shall be open at all times to inspection and examination by the tax commissioner and the insurance commissioner, or their duly authorized representatives, for the purpose of verifying the accuracy of the returns made under this section. If any such return contains a false statement which is known, or by the exercise of reasonable care might have been known, to the agent or officers making it to be false, such life insurance company or association shall be liable for the amount of tax thereby lost to the commonwealth and, in addition, to a penalty of not less than five hundred dollars nor more than five thousand dollars.

May 11.

Penalties begin to run against corporations which have failed to file franchise tax returns. (For text of law see page 111.)

May 25.

Savings banks pay semi-annual tax on deposits (Laws 1909, Chap. 490, Part III, Sec. 21) as follows:

Every savings bank and institution for savings shall pay to the treasurer and receiver general, on account of its depositors, an annual tax of one-half of one per cent on the amount of its deposits, one-half thereof to be assessed by the tax commissioner upon the average amount of such deposits for the six months preceding the first day of May and one-half to be so assessed upon the average amount of such deposits for the six months preceding the first day of November. Such tax shall be paid semi-annually on or before the twenty-fifth day of May and of November, each payment to consist of the amount of the tax as determined by the last preceding assessment; but so much of said deposits as is invested in real estate for banking purposes or in loans secured by mortgages of taxable real estate, and, for the period limited in clause Tenth of section sixty-eight of chapter five hundred and ninety of the acts of the year nineteen hundred and eight, so much of said deposits as is invested in real estate the title to which has been acquired by the completion of foreclosure, or by purchase, pursuant to said section, so much of said deposits as is invested in bonds of the commonwealth of Massachusetts

issued after July first, nineteen hundred and six, so much of said deposits as is invested in bonds, notes and certificates of indebtedness of any county, fire district, water supply district, city or town in the commonwealth which may be issued on or after the first day of May in the year nineteen hundred and eight, stating upon their face that they are exempt from taxation in Massachusetts, and so much of said deposits as is invested in shares of stock of trust companies organized under the laws of this commonwealth, shall be exempt from taxation under the provisions of this section.

NEW JERSEY. ✓**First Tuesday of May.**

Domestic business corporations, except public service, banking and insurance corporations, file franchise tax report with State Board of Taxes and Assessment (Act April 18, 1884, Sec. 1 as amended) as follows:

All corporations incorporated under the laws of this state, other than those which are subject to the payment of a state franchise tax assessed upon the basis of gross receipts, shall make annual return to the State Board of Assessors on or before the first Tuesday of May in each year, and shall state therein the amount of the capital stock of such corporation issued and outstanding on the first day of January preceding the making of said return, together with such other information as may be required by said board to carry out the provisions of this act, and shall pay an annual license fee or franchise tax of one-tenth of one per centum on all amounts of capital stock issued and outstanding up to and including the sum of three million dollars; on all sums of capital stock issued and outstanding in excess of three million dollars and not exceeding five million dollars, an annual license fee or franchise tax of one-twentieth of one per centum, and the further sum of fifty dollars per annum per one million dollars, or any part thereof, on all amounts of capital stock issued and outstanding in excess of five million dollars; and any shares of stock either fully paid or partially paid in cash or by property purchased whether issued or otherwise shall be deemed to be shares of stock issued and outstanding until such shares or any substitute therefor shall have been retired and actually canceled; provided, that this act shall not apply to railway, canal or banking corporations, or to savings banks, cemeteries or religious corporations, or purely charitable or purely educational associations not conducted for profit, or manufacturing or mining corporations at least fifty per centum of whose capital stock issued and outstanding is invested in mining or manufacturing carried on within this State, and which mining or manufacturing corporations shall have stated in the annual return to the State Board of Assessors where the mine or manufacturing establishment of

such corporation or corporations is or are located, the character of the ores mined or the goods manufactured, the total amount of its capital stock embarked in the business of mining or manufacturing and the amount of capital stock actually employed in New Jersey in carrying on such mining or manufacturing business. If any manufacturing or mining company carrying on business in this State shall have less than fifty per centum of its capital stock, issued and outstanding, invested in business carried on within this State, such company shall pay the annual license fee or franchise tax herein provided for companies not carrying on business in this State, but shall be entitled in the computation of such tax, to a deduction from the amount of its capital stock issued and outstanding of the assessed value of its real and personal estate so used in manufacturing or mining.

Penalties for false statements in, or failure to make, foregoing report (Act April 18, 1884, Sec. 3 as amended) as follows:

If any officer of any company required by this act to make a return shall in such return make a false statement, he shall be deemed guilty of perjury; if any such company shall neglect or refuse to make such return within the time limited as aforesaid, the state board of assessors shall ascertain and fix the amount of the annual license fee or franchise tax and the basis upon which the same is determined, in such manner as may be deemed by them most practicable, and the amount fixed by them shall stand as such basis of taxation under this act.

Note: The "State Board of Assessors," referred to in the foregoing statute, is now the "State Board of Taxes and Assessment."

May 15.

Tax bills are sent to taxpayers on or before this date (General Tax Act, Revision of 1918, Sec. 601) as follows:

As soon as the tax duplicate is delivered to the collector of the taxing district, as hereinbefore provided, he shall at once begin the work of preparing, completing, mailing or otherwise delivering tax bills to the individuals assessed, and shall complete such work on or before the fifteenth day of May. The validity of any tax or assessment, or the time at which the same shall be payable, shall not be affected by the failure of any taxpayer to receive a tax bill, but all taxpayers are put upon notice to ascertain from the proper officials of the respective taxing districts the amount which may be due for taxes or assessment against any such taxpayer or property.

NEW YORK.**May 1.**

Personal property tax and first half of real estate tax are due and payable in New York City (Charter Sec. 914, as amended by Laws 1916, Chap. 17) as follows:

The receiver of taxes shall, immediately after he shall have received the assessment-rolls, give public notice, for at least five days in the City Record and in such newspaper or newspapers published in the several boroughs as may be designated by the board of city record, or in default of any newspaper being published in any borough, in such newspaper or newspapers having a general circulation in such boroughs as the board of city record shall direct, that said assessment-rolls have been delivered to him and that all taxes shall be due and payable at his office in the said respective boroughs as follows:

All taxes upon personal property and one-half of all taxes upon real estate shall be due and payable on the first day of May and the remaining and final one-half of taxes on real estate shall be due and payable on the first day of November. All taxes shall be and become liens on the real estate affected thereby and shall be construed as and deemed to be charges thereon on the respective days when they become due and payable as hereinbefore provided and not earlier and shall remain such liens until paid.

The second half of the tax on real estate which is due as hereinbefore provided on the first day of November following the payment of the first half, may be paid on the first day of May or at any time thereafter, providing the first half shall have been paid or shall be paid at the same time, and on such payments of the second half as may be made in such manner prior to November first a discount shall be allowed from the date of payment to November first at the rate of four per centum per annum.

May 1.

Two per cent penalty added to unpaid general prop-

erty tax in Westchester county (Laws 1916, Chap. 105, Secs. 15, 18).

May 1.

Date as of which national and state banks furnish statement to assessors of tax district in which principal office is located. (For text of law see page 144.)

May 15.

On or before this date directors of banks and trust companies make report to board of directors of semi-annual examination (see entry under " March 1 to April 30 ") and file duplicate with Superintendent of Banks (Banking Law, Secs. 131, 216). These two sections are practically identical, the text of Sec. 131 being as follows:

On or before the fifteenth day of the month of May or November succeeding any examination made pursuant to the requirements of the last section, a report in writing thereof, sworn to by the directors making the same, shall be made to the board of directors of such bank, and placed on file in said bank, and a duplicate thereof filed in the office of the superintendent of banks. Such report shall particularly contain a statement of the assets and liabilities of the bank examined, as shown by the books, together with such deductions from the assets, and the addition of such liabilities, direct, indirect, contingent or otherwise as such directors or committee, after such examination, may find necessary in order to determine the true condition of the bank. It shall also contain a statement showing in detail every known liability to such bank, direct, indirect, contingent, or otherwise, of every officer or director thereof and of every corporation in which any such officer or director owns stock to the amount of twenty-five per centum of the total outstanding stock, or of which any.

such officer or director is also an officer or director. It shall also contain a statement, in detail, of loans, if any, which in their opinion are doubtful or worthless, together with their reasons for so regarding them; also a statement of loans made on collateral security which in their opinion are insufficiently secured, giving in each case the amount of the loan, the name and market value of the collateral, if it has any market value, and, if not, a statement of that fact, and its actual value as nearly as possible. Such report shall also contain a statement of overdrafts, of the names and amounts of such as they consider worthless or doubtful, and a full statement of such other matters as affect the solvency and soundness of the institution. If the directors of any bank shall fail to make, or to cause to be made, or to file such report of examination in the manner, and within the time, specified, such bank shall forfeit to the people of the state one hundred dollars for every day such report shall be delayed.

May 15.

In Westchester county, last day for nonresidents to file request for notice of assessment with Board of Assessors of town where property is located (Laws 1916, Chap. 105, Sec. 10).

May 31.

Last day to pay personal property tax and first half of real estate tax without penalty in New York City. (For text of law see page 129.)

PENNSYLVANIA.**May 1.**

Second quarterly payment of local taxes for current year in second-class cities becomes delinquent; 2% penalty added thereto plus $\frac{1}{2}\%$ monthly until paid (Act July 20, 1917; P. L. 1917, p. 1173).

May 1.

In the city of Philadelphia 4% plus interest from December 31st preceding is added to unpaid taxes of previous year (Act of April 19, 1883, Sec. 13, P. L. 12).

May 1 to June 30.

City and poor taxes payable without discount in third-class cities (Act May 29, 1917; P. L. 1917, p. 315).

First Monday of May.

Foreign building and loan associations pay license fee of \$100 (Act May 11, 1901, Sec. 5, P. L. 153) as follows:

Every association, company or corporation described in the first section of this act and authorized to do business within this Commonwealth shall, annually, upon the first Monday of May, pay into the State treasury a license fee of one hundred dollars; and in case of neglect or refusal by any such association, company or corporation to pay the same, as aforesaid, into the State treasury at the time aforesaid, the Auditor General shall settle an account against such association, company or corporation for the amount due and payable by it as aforesaid, and shall proceed to collect the same, in the same manner and under the same penalties as are provided for the collection of taxes and penalties under existing laws.

J U N E .**FEDERAL.****June 10.**

Monthly returns required from dealers in leaf tobacco and manufacturers of playing cards. For details see entries under January.

June 15.

Second quarter of income tax due (Rev. Act 1918, Sec. 250; Regulations 45, Art. 1001. For text see page 80.)

June 15.

Corporations which have withheld taxes from payments of income of any sort must pay them to Collector of Internal Revenue on or before this date (Regulations 45, Art. 370. For text see page 75.)

June 20.

Various monthly returns are required from corporations of different classes. For details see entries in January under "20th day of each month."

June 30.

Various monthly returns must be made by corporations of different classes. For details see entries in January under "Last day of each month."

DELAWARE.**June 1.**

Before this date every domestic and foreign corporation engaged in manufacturing must file with the Clerk of the Peace of the county in which it is so engaged a sworn statement to the effect that the aggregate gross receipts received in connection with or from the business of the said production, manufacture or finishing in the State of Delaware by said corporation during the year then last past did not exceed a certain sum therein named; at the same time such corporation must pay to the said Clerk of the Peace the sum of \$5.00 plus one-fiftieth of one per cent of the total gross receipts set forth in said statement. When this has been done the clerk issues a license to such corporation to manufacture for one year from June 1 (Code 1915, Par. 196).

June 1.

Before this date every domestic and foreign corporation engaged in buying and selling goods, wares, merchandise or property of any description, either at wholesale or retail, must file with the Clerk of the Peace of the county in which it is so engaged a statement of the aggregate cost value of the property which such corporation shall have purchased for sale in said business during the year immediately preceding the date of taking out the license referred to below; at the same time such corporation must pay to the said Clerk of the Peace the sum of \$5.00 plus one dollar on the first thousand dollars of such cost value and ten cents on each additional hundred dollars thereof. When this has been done the clerk issues a license to such

corporation to carry on such business for one year from June 1 (Code 1915, Par. 198).

June 1.

· Taxes payable by national and state banks, savings banks, trust companies, etc. (Code 1915, Pars. 64, 69) as follows:

64. Every State bank, National bank, savings bank, trust and loan company doing business in this State shall pay to the State for the privilege of exercising its corporate franchises or carrying on its business in such corporate or organized capacity in this State an annual tax, which shall be one-fifth of one per centum upon the amount of its capital stock, surplus and undivided profits.

69. The tax imposed by 64 shall be due and payable to the Insurance Commissioner before the first day of June of each and every year. If such tax is not paid within twenty days after the same becomes due, the corporation, company or association liable to pay the same shall pay to the Insurance Commissioner, in addition to the amount of such tax, a sum equal to five per centum thereof and one per centum additional for each month the tax remains unpaid, which sum shall be added to the tax and paid or collected therewith.

Every corporation, company or association failing to make the report or statement required as aforesaid, shall forfeit to the State the sum of one hundred dollars for every such failure and the additional sum of twenty dollars for each day that such failure continues.

Such tax shall be a lien upon and bind all the real and personal property of the corporation, company or association liable to pay the same, from the time it is payable until the same is paid in full.

First Monday of June.

Local taxes become payable in Kent and Sussex counties. Tax collectors post notices stating when and

where they will attend to receive the same (Code 1915, Par. 1226).

June 20.

Penalties are added to taxes of banking corporations which remain unpaid on this date. (For text of law see page 135.)

Three months after the third Tuesday of March.

Last day to file with Governor petition for review of franchise tax assessments (Code 1915, Par. 119) as follows:

The officers of any corporation who shall consider the tax levied under the provisions of sections 65 to 83 inclusive of this chapter, excessive or otherwise unjust, may make application to the Governor for a review of the assessment and a readjustment of the tax; provided, there be filed with the Governor within three months from the date of assessment a petition of appeal, duly verified according to law, stating specifically the grounds upon which the appeal is taken and the reasons why the tax is considered excessive or unjust; the Governor shall thereupon proceed to investigate the contentions raised by the said petition of appeal; and for the purpose of such hearing, the officers of said corporation may be summoned to appear before the Governor, either in person or by attorney, and questioned as to the statements set forth in the said petition of appeal; if, in the opinion of the Governor it shall appear that the tax so levied as aforesaid is excessive or unjust, he shall thereupon require the officers of the corporation to file with him a corrected return, and upon said corrected return the assessment shall be adjusted and the tax reduced or amended as in the opinion of the Governor shall seem proper.

If the petition of appeal shall not be filed within three months from the date of the assessment, as aforesaid, the right to appeal to the Governor shall be considered and treated as having been

waived and the amount of tax levied shall be payable and collectible at once.

June 30.

Last day to get discount of five per cent on local taxes paid in Kent county (Code 1915, Par. 1215).

MAINE.**June 1.**

Last day for domestic business corporations to file franchise tax report (Rev. Stats. 1916, Chap. 51, Secs. 28, 29) as follows:

Sec. 28.

Every corporation incorporated under the laws of this state, excepting religious, charitable, educational and benevolent corporations, and excepting such corporations as may be organized under the first fourteen sections of chapter sixty-two, and such corporations as are liable to a franchise tax other than the tax provided for in section eighteen of chapter nine, and such corporations as have been or may hereafter be excused from filing annual returns under the provisions of section thirty-three of this chapter, so long as their franchises remain unused, shall on or before the first day of June, annually, make a return to the secretary of state, signed by its president or treasurer, verified under oath, containing the names of its directors, president, treasurer and clerk, with the residence of each, the location of its principal office in this state, and the amount of its authorized capital stock; and for this purpose the secretary of state shall furnish blanks in proper form and safely keep in his office all such returns.

Sec. 29.

A deposit of the return required in the three preceding sections in a post-office, postage paid, properly directed, is a compliance therewith. For the neglect or refusal of its officer to make such return, the corporation forfeits five hundred dollars, to be recovered in an action of debt, to be prosecuted in the name of the state by the attorney-general.

MASSACHUSETTS.**June 30.**

Licenses of foreign insurance companies to do business in Massachusetts expire on this date unless renewed in writing by the Insurance Commissioner on or before this date (Laws 1907, Chap. 576, Sec. 83).

NEW JERSEY.**June 1. ✓**

Last day to pay first half of taxes for current year without penalty. After this date interest is charged thereon at the rate of from 7% to 9% per annum (General Tax Act, Revision of 1918, Secs. 602, 603).

(**First Monday of June.**)

Franchise tax payable by domestic corporations on basis of report made in May (Act April 18, 1884, Sec. 5 as amended) as follows:

The state board of assessors shall certify and report to the comptroller of the state, on or before the first Monday of June in each year, a statement of the basis of the annual license fee or franchise tax as returned by each company to, or ascertained by the said board, and the amount of tax due thereon, respectively, at the rates fixed by this act; such tax shall thereupon become due and payable, and it shall be the duty of the state treasurer to receive the same; if the tax of any company remains unpaid on the first day of July, after the same becomes due, the same shall thenceforth bear interest at the rate of one per centum for each month until paid; the state board of assessors shall have power to require of any corporation subject to tax under this act such information or reports touching the affairs of such company as may be necessary to carry out the provisions of this act; and may require the production of the books of such company, and may swear and examine witnesses in relation thereto; the comptroller shall receive as compensation for his services under this act, and under the act entitled "An Act for the taxation of railroad and canal property," approved April tenth, one thousand eight hundred and eighty-four, the sum of five hundred dollars annually.

Penalties for failure to pay above tax (Act April 18, 1884, Secs. 6, 7) as follows:

Sec. 6.

Such tax, when determined, shall be a debt due from such company to the state, for which an action at law may be maintained after the same shall have been in arrears for the period of one month; such tax shall also be a preferred debt in case of insolvency.

Sec. 7.

In addition to other remedies for the collection of such tax, it shall be lawful for the attorney-general, either of his own motion, or upon the request of the state comptroller, whenever any tax due under this act, from any company, shall have remained in arrears for a period of three months after the same shall have become payable, to apply to the court of chancery, by petition in the name of the state, on five days' notice to such corporation, which notice may be served in such manner as the chancellor may direct, for an injunction to restrain such corporation from the exercise of any franchise, or the transaction of any business within this state until the payment of such tax and interest due thereon, and the costs of such application, to be fixed by the chancellor; the said court is hereby authorized to grant such injunction, if a proper case appear, and upon the granting and service of such injunction, it shall not be lawful for such company thereafter to exercise any franchise or transact any business in this state until such injunction be dissolved.

(Public Laws 1905, p. 508) as follows:

If any corporation created under any act of this state shall for two consecutive years neglect or refuse to pay the state any tax which has been or shall be assessed against it under any law of this state and made payable into the state treasury, the charter of such corporation shall be declared void as in section two of this act provided, unless the governor shall, for good cause shown to him, give further time for the payment of such tax, in which case a certificate thereof shall be filed by the governor in the office of the comptroller, stating the reasons therefor.

First Monday of June.

Franchise tax payable by domestic life insurance companies (Public Laws 1892, pp. 137, 140).

June 15. ✓

Last day to appeal from assessment to County Board of Taxation (General Tax Act, Revision of 1918, Sec. 701) as follows:

Any taxpayer feeling aggrieved by the assessed valuation of his property, or feeling that he is discriminated against by the assessed valuation of any other property in the county, or any taxing district which may feel discriminated against by the assessed valuation of property in said taxing district, or by the assessed valuation of property in any other taxing district in such county, may on or before the fifteenth day of June file with the county board of taxation a petition of appeal to the county board of taxation, a copy of which shall also be filed with the clerk or attorney of the taxing district, setting forth the cause of complaint, the nature and location of such assessed property and the relief sought. Said petition of appeal shall be signed and sworn to by the petitioner or his agent, and shall be in such form and contain such further information as may be from time to time prescribed by rule of the board, for the better understanding and determination of the appeal. Such board shall thereupon make such order respecting the time and manner for hearing such appeal as it may deem just, and shall summarily hear and determine such appeals, and revise and correct such assessment in accordance with the true value of such taxable property.

June 30.

Filing of that portion of the annual statement required from insurance companies which relates to profits and losses of preceding year may be postponed not later than this date, if such postponement is requested (Laws 1902, Chap. 134, Sec. 70).

NEW YORK.**June 1.**

Interest at seven per cent from May 1 is added to unpaid personal property tax and first half of real estate tax in New York City (Charter, Sec. 916) as follows:

If any tax on personal estate or the first one-half of any tax on real estate shall remain unpaid on the first day of June, after it shall become due and payable it shall be the duty of the receiver of taxes to charge, receive and collect upon such tax so remaining unpaid on that day, interest upon the amount thereof, at the rate of seven per centum per annum, to be calculated from the day on which said taxes or such part thereof became due and payable, as provided by section nine hundred and fourteen of this act, to the date of payment; and such increase of percentage shall be paid over and accounted for by such receiver from time to time, as a part of the tax collected by him. If the final half of any tax on real estate shall remain unpaid on the first day of December, after it shall be due and payable, it shall be the duty of the receiver of taxes to charge, receive and collect upon such tax so remaining unpaid on that day, interest upon the amount thereof, at the rate of seven per centum per annum, to be calculated from the day on which said final half of said tax became due and payable, as provided by section nine hundred and fourteen of this act, to the date of payment; and such increase of percentage shall be paid over and accounted for by such receiver from time to time, as a part of the tax collected by him.

June 1.

National and state banks furnish to assessors of tax district in which principal office is located a statement of condition as of May 1 preceding (Tax Law, Sec. 23) as follows:

The chief fiscal officer of every bank or banking association organized under the authority of this state, or of the United States, shall, on or before the first day of June, in each year, furnish the assessors of the tax district in which its principal office is located a statement under oath of the condition of such bank or banking association on the first day of May next preceeding, stating the amount of its authorized capital stock, the number of shares and the par value of the shares. thereof, the amount of stock paid in, the amount of its surplus and of its undivided profits, if any, a complete list of the names and residences of its stockholders and the number of shares held by each. In case of neglect or refusal on the part of any bank or banking association to report as herein prescribed, or to make other or further reports as may be required, such bank or banking association shall forfeit the sum of one hundred dollars for each failure, and the additional sum of ten dollars for each day such failure continues, and an action therefor shall be prosecuted by the county treasurer of the county in which such bank or banking association so neglecting or refusing to report is located, in the city of Buffalo by the city treasurer of said city, and in the city of New York by the receiver of taxes thereof. There shall, in addition to such report, be kept in the office of every such bank or banking association a full and correct list of the names and residences of all stockholders therein, and of the number of shares held by each, and such lists shall be subject to the inspection of the assessors at all times. The list of stockholders furnished by such bank or banking association shall be deemed to contain the names of the owners of such shares as are set opposite them, respectively, for the purpose of assessment and taxation. (Thus am'd by L. 1916, chap. 323; L. 1917, chap. 153, in effect Apr. 6, 1917.)

June 1.

In Westchester and Nassau counties assessment rolls for general property tax of following year are opened for public inspection and remain open until third Tuesday of August (Laws 1916, Chap. 105, Sec. 10; Laws 1917, Chap. 297, Sec. 17).

June 1.

Five per cent penalty added to unpaid general property tax in Westchester county (Laws 1916, Chap. 105, Secs. 15, 18).

June 1.

Second half of real estate tax due in Nassau county and may be paid without penalty until July 10 (Laws 1917, Chap. 297, Sec. 31).

June 1.

Moneyed or stock corporations deriving an income from their capital make report to tax assessors (Tax Law, Secs. 27, 28) as follows:

Sec. 27.

The president or other proper officer of every moneyed or stock corporation deriving an income or profit from its capital or otherwise shall, on or before June first, deliver to one of the assessors of the tax district in which the company is liable to be taxed, a written statement in the form prescribed by the tax commission specifying:

1. The real property, if any, owned by such company, the tax district in which the same is situated and, unless a railroad corporation, the sums actually paid therefor.

2. The capital stock actually paid in and secured to be paid in, excepting therefrom the sums paid for real property and the amount of such capital stock held by the state and by any incorporated literary or charitable institution, and

3. The tax district in which the principal office of the company is situated or in case it has no principal office, the tax district in which its operations are carried on.

Such statement shall be verified by an officer of the corporation making the report to the effect that it is in all respects just and true. If such statement is not made within twenty days after the first day of June, or is insufficient, evasive or defective, the

assessors may compel the corporation to make a proper statement by mandamus. (Thus am'd by L. 1916, chap. 32, in effect Apr. 26, 1916.)

Sec. 28.

In case of neglect to furnish such statements within thirty days after the time above provided, the company so neglecting shall forfeit to the people of this state for each statement so omitted to be furnished, the sum of two hundred and fifty dollars, and it shall be the duty of the attorney-general to prosecute for such penalty upon information which shall be furnished him by the tax commission. Upon such statement being furnished and the costs of the suit being paid, the tax commission, if it shall be satisfied that such omission was not wilful, may, in its discretion, discontinue such suit. (Thus am'd by L. 1916, chap. 323, in effect Apr. 26, 1916.)

June 1.

Franchise tax of one per cent on premiums payable by foreign and domestic insurance companies (Tax Law, Sec. 187) as follows:

An annual state tax for the privilege of exercising corporate franchises or for carrying on business in their corporate or organized capacity within this state equal to one per centum on the gross amount of premiums received during the preceding calendar year for business done at any time in this state, which gross amount of premiums shall include all premiums received during such preceding calendar year on all policies, certificates, renewals, policies subsequently canceled, insurance and reinsurance during such preceding calendar year, and all premiums that are received during such preceding calendar year on all policies, certificates, renewals, policies subsequently canceled, insurance and reinsurance executed, issued or delivered in all years prior to such preceding calendar year, whether such premiums were in the form of money, notes, credits, or any other substitute for money, but such gross amount of premiums shall not include premiums refunded to policyholders as dividends or on cancellation or return of policies

nor amounts paid as reinsurance to such other companies as are subject to taxation under this section, shall be paid annually into the treasury of the state on or before the first day of June by the following corporations:

1. Every domestic insurance corporation, incorporated, organized or formed under, by or pursuant to a general or special law;

2. Every insurance corporation, incorporated, organized or formed under, by or pursuant to the laws of any other state of the United States, and doing business in this state, except a corporation doing a fire insurance business or a marine insurance business;

3. Every insurance corporation, incorporated, organized or formed under, by or pursuant to the laws of any state without the United States, or of any foreign country, except such a corporation doing a life, health or casualty insurance business, and doing business in this state; but the tax on gross premiums of a corporation so incorporated, organized or formed and doing a fire or marine insurance business within the state shall be equal to five-tenths of one per centum. This section does not apply to a fraternal beneficiary society, order or association, a corporation for the insurance of domestic animals, a town or county co-operative insurance corporation, nor to any corporation subject to the supervision of or required by or in pursuance of law to report to the superintendent of banks; but this section does apply to an individual, or partnership, or association of underwriters known as Lloyds in so far as corporations doing the same kind of insurance business are subject to its provisions. The taxes imposed by this section shall be in addition to all other fees, licenses or taxes imposed by this or any other law, except that in assessing taxes under the reciprocal provisions of section thirty-four of the insurance law, credit shall be allowed for any taxes paid under this section. The term "insurance corporations" as used in this article, shall include a corporation, association, joint-stock company or association, person, society, aggregation or partnership by whatever name known doing an insurance business in this state.

June 1 to 5.

In Westchester and Nassau counties assessors send notice of assessment for general property tax to non-

residents who have requested it (Laws 1916, Chap. 105, Sec. 10; Laws 1917, Chap. 297, Sec. 17).

June 15.

Last day for corporations nonresident of tax district to file demand with local assessors for notice of assessment (except in Westchester and Nassau counties). (For text see page 180.)

June 30.

Last day to pay water charges for current year in New York City with only five per cent penalty added thereto. (For text of law see page 34.)

June 30.

In New York City, last day to begin certiorari proceedings to review determination of Board of Taxes and Assessments as to assessment (Charter, Sec. 906) as follows:

A certiorari to review or correct on the merits any final determination of the board of taxes and assessments shall be allowed by the supreme court or any justice thereof, directed to the commissioners of taxes and assessments on the verified petition of the party aggrieved, but only on the grounds which must be specified in such petition, that the assessment is illegal, and giving the particulars of the alleged illegality, or that it is erroneous by reason of over-valuation, or in case of real estate, that the same is erroneous by reason of inequality, in that the assessment has been made at a higher proportionate valuation than the assessment of other real estate of like character in the same ward or section or other real estate on the tax-rolls of the city for the same year, specifying the instances in which such inequality exists, and the extent thereof, and stating that he is or will be injured thereby. Such certiorari and all proceedings thereunder may be had and taken in the judicial district where such real estate is situated, and

may be begun at any time before the first day of July following the time when the determination sought to be reviewed or corrected was made. (As amended by Laws of 1911, Chapter 455.)

June 30.

Last day for corporations acting as agent for foreign insurance companies to procure certificate of authority from Superintendent of Insurance. (For text of law, see page 44.)

PENNSYLVANIA.**June 1.**

In the city of Philadelphia 5% plus interest from December 31st preceding is added to unpaid taxes of previous year (Act April 19, 1883, Sec. 13, P. L. 12).

First Monday of June.

Banks of discount and deposit transmit list of stockholders, giving names, residences and number of shares held by each, and verified by the president and cashier, to the Commissioner of Banking (Act May 13, 1876, Sec. 15; Act Feb. 11, 1895, P. L. 4).

June 20.

National and state banks and savings banks file with Auditor General a report under oath of the full number of shares subscribed for or issued, and the actual value thereof, which shall be computed by adding together the amount of capital stock paid and the surplus and undivided profits, and dividing this sum by the number of shares. Corporations, however, which elect to collect and pay the tax upon their shares before March 1 (see Summary of Pennsylvania Taxation on page 283 hereof) are not required to make a report on June 20 (Act July 15, 1897, P. L. 292).

June 20.

Title insurance and trust companies file with Auditor General a report identical with the preceding, unless they elect to collect and pay the tax upon their shares before March 1 (see Summary of Pennsylvania Taxation on page 284 hereof) in which case this report is not required (Act June 13, 1907, Sec. 1, P. L. 640.)

J U L Y.**FEDERAL.****July 1.**

On or before this date corporations importing, dealing in or manufacturing opium, etc., must register their names, places of business, etc., with Collector of Internal Revenue and pay tax (Rev. Act 1918, Sec. 1006) as follows:

That section 1 of the Act of Congress approved December 17, 1914, is hereby amended to read as follows:

Section 1. That on or before July 1 of each year every person who imports, manufacturers, produces, compounds, sells, deals in, dispenses, or gives away opium or coca leaves, or any compound, manufacture, salt, derivative, or preparation thereof, shall register with the collector of internal revenue of the district his name or style, place of business and place or places where such business is to be carried on, and pay the special taxes hereinafter provided;

Every person who on January 1, 1919, is engaged in any of the activities above enumerated, or who between such date and the passage of this act first engages in any of such activities, shall within 30 days after the passage of this act make like registration, and shall pay the proportionate part of the tax for the period ending June 30, 1919; and

Every person who first engages in any of such activities after the passage of this act shall immediately make like registration and pay the proportionate part of the tax for the period ending on the following June 30th;

Importers, manufacturers, producers, or compounders, \$24 per annum; wholesale dealers, \$12 per annum; retail dealers, \$6 per annum; physicians, dentists, veterinary surgeons, and other practitioners lawfully entitled to distribute, dispense, give away, or administer any of the aforesaid drugs to patients upon whom they in the course of their professional practice are in attendance, shall pay \$3 per annum.

Every person who imports, manufactures, compounds, or otherwise produces for sale or distribution any of the aforesaid drugs shall be deemed to be an importer, manufacturer, or producer.

Every person who sells or offers for sale any of said drugs in the original stamped packages, as hereinafter provided, shall be deemed a wholesale dealer.

Every person who sells or dispenses from original stamped packages, as hereinafter provided, shall be deemed a retail dealer: Provided, That the office, or if none, the residence, of any person shall be considered for the purpose of this act his place of business; but no employee of any person who has registered and paid special tax as herein required, acting within the scope of his employment, shall be required to register and pay special tax provided by this section: Provided further, That officials of the United States, Territorial, District of Columbia, or insular possessions, State or municipal governments, who in the exercise of their official duties engage in any of the business herein described, shall not be required to register, nor pay special tax, nor stamp the aforesaid drugs as hereinafter prescribed, but their right to this exemption shall be evidenced in such manner as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may by regulations prescribe.

It shall be unlawful for any person required to register under the provisions of this act to import, manufacture, produce, compound, sell, deal in, dispense, distribute, administer, or give away any of the aforesaid drugs without having registered and paid the special tax as imposed by this section.

That the word "person" as used in this act shall be construed to mean and include a partnership, association, company or corporation, as well as a natural person; and all provisions of existing law relating to special taxes, as far as necessary, are hereby extended and made applicable to this section.

July 1 to 10.

National banks make return to Treasurer of United States of notes in circulation. (For text of law see page 2.)

July 1 to 31.

National banks pay tax on notes in circulation. (For text of law see page 2.)

First Monday of July.

National banks transmit list of shareholders to Comptroller of the Currency (U. S. Rev. Stats., Sec. 5210) as follows:

The president and cashier of every national banking association shall cause to be kept at all times a full and correct list of the names and residences of all the shareholders in the association, and the number of shares held by each, in the office where its business is transacted. Such list shall be subject to the inspection of all the shareholders and creditors of the association, and the officers authorized to assess taxes under State authority, during business hours of each day in which business may be legally transacted. A copy of such list, on the first Monday of July of each year, verified by the oath of such president or cashier, shall be transmitted to the Comptroller of the Currency.

July 20.

Various monthly returns must be made by corporations of different classes. For details see entries in January under "20th day of each month."

July 31.

Corporation excise tax returns are due for capital stock tax. (Rev. Act 1918, Sec. 1000; U. S. Rev. Stats., Sec. 3173) as follows:

Sec. 1000.

(a) That on and after July 1, 1918, in lieu of the tax imposed by the first subdivision of section 407 of the Revenue Act of 1916—

(1) Every domestic corporation shall pay annually a special excise tax with respect to carrying on or doing business, equivalent

to \$1 for each \$1,000 of so much of the fair average value of its capital stock for the preceding year ending June 30 as is in excess of \$5,000. In estimating the value of capital stock the surplus and undivided profits shall be included;

(2) Every foreign corporation shall pay annually a special excise tax with respect to carrying on or doing business in the United States, equivalent to \$1 for each \$1,000 of the average amount of capital employed in the transaction of its business in the United States during the preceding year ending June thirtieth.

(b) In computing the tax in the case of insurance companies such deposits and reserve funds as they are required by law or contract to maintain or hold for the protection of or payment to or apportionment among policyholders shall not be included.

(c) The taxes imposed by this section shall not apply in any year to any corporation which was not engaged in business (or in the case of a foreign corporation not engaged in business in the United States) during the preceding year ending June 30, nor to any corporation enumerated in section 231. The taxes imposed by this section shall apply to mutual insurance companies, and in the case of every such domestic company the tax shall be equivalent to \$1 for each \$1,000 of the excess over \$5,000 of the sum of its surplus or contingent reserves maintained for the general use of the business and any reserves the net additions to which are included in net income under the provisions of Title II, as of the close of the preceding accounting period used by such company for purposes of making its income tax return: Provided, That in the case of a foreign mutual insurance company the tax shall be equivalent to \$1 for each \$1,000 of the same proportion of the sum of such surplus and reserves, which the reserve fund upon business transacted within the United States is of the total reserve upon all business transacted, as of the close of the preceding accounting period used by such company for purposes of making its income tax return.

Sec. 3173.

It shall be the duty of any person, partnership, firm, association, or corporation, made liable to any duty, special tax, or other tax imposed by law, when not otherwise provided for, (1) in case of a special tax, on or before the thirty-first day of July in each year, and (2) in other cases before the day on which the taxes accrue,

to make a list or return, verified by oath, to the collector or a deputy collector of the district where located, of the articles or objects, including the quantity of goods, wares, and merchandise, made or sold and charged with a tax, the several rates and aggregate amount, according to the forms and regulations to be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, for which such person, partnership, firm, association, or corporation is liable.

July 31.

Various monthly returns must be made by different classes of corporations. For details see entries in January under "last day of each month."

July 31.

Returns due from corporations which are subject to the special taxes on occupations which are imposed by Secs. 1001 and 1002 of the Revenue Act of 1918. (See U. S. Rev. Stats., Sec. 3173, above.) The occupations subject to tax are the following:

Sec. 1001.

That on and after January 1, 1919, there shall be levied, collected, and paid annually the following special taxes:

(1) Brokers shall pay \$50. Every person whose business it is to negotiate purchases or sales of stocks, bonds, exchange, bullion, coined money, bank notes, promissory notes, other securities, produce or merchandise, for others, shall be regarded as a broker. If a broker is a member of a stock exchange, or if he is a member of any produce exchange, board of trade, or similar organization, where produce or merchandise is sold, he shall pay an additional amount as follows: If the average value, during the preceding year ending June 30, of a seat or membership in such exchange or organization was \$2,000 or more but not more than \$5,000, \$100; if such value was more than \$5,000, \$150.

(2) Pawnbrokers shall pay \$100. Every person whose business or occupation it is to take or receive, by way of pledge, pawn, or

exchange, any goods, wares, or merchandise, or any kind of personal property whatever, as security for the repayment of money loaned thereon, shall be regarded as a pawnbroker.

(3) Ship brokers shall pay \$50. Every person whose business it is as a broker to negotiate freights and other business for the owners of vessels, or for the shippers or consignors or consignees of freight carried by vessels, shall be regarded as a ship broker.

(4) Customhouse brokers shall pay \$50. Every person whose occupation it is, as the agent of others, to arrange entries and other customhouse papers, or transact business at any port of entry relating to the importation or exportation of goods, wares, or merchandise, shall be regarded as a customhouse broker.

(5) Proprietors of theatres, museums, and concert halls, where a charge for admission is made, having a seating capacity of not more than two hundred and fifty, shall pay \$50; having a seating capacity of more than two hundred and fifty and not exceeding five hundred, shall pay \$100; having a seating capacity exceeding five hundred and not exceeding eight hundred, shall pay \$150; having a seating capacity of more than eight hundred, shall pay \$200. Every edifice used for the purpose of dramatic or operatic or other representations, plays, or performances, for admission to which entrance money is received, not including halls or armories rented or used occasionally for concerts or theatrical representations, and not including edifices owned by religious, educational or charitable institutions, societies or organizations where all the proceeds from admissions inure exclusively to the benefit of such institutions, societies or organizations or exclusively to the benefit of persons in the military or naval forces of the United States, shall be regarded as a theater. Provided, that in cities, towns, or villages of five thousand inhabitants or less the amount of such payment shall be one-half of that above stated: Provided further, That whenever any such edifice is under lease at the time the tax is due, the tax shall be paid by the lessee, unless otherwise stipulated between the parties to the lease.

(6) The proprietor or proprietors of circuses shall pay \$100. Every building, space, tent, or area, where feats of horsemanship or acrobatic sports or theatrical performances not otherwise provided for in this section are exhibited shall be regarded as a circus: Provided, That no special tax paid in one State, Territory, or the District of Columbia shall exempt exhibitions from the

tax in another State, Territory, or the District of Columbia, and but one special tax shall be imposed for exhibitions within any one State, Territory, or District.

(7) Proprietors or agents of all other public exhibitions or shows for money not enumerated in this section shall pay \$15: Provided, That a special tax paid in one State, Territory, or the District of Columbia shall not exempt exhibitions from the tax in another State, Territory, or the District of Columbia, and but one special tax shall be required for exhibitions within any one State, Territory, or the District of Columbia: Provided further, That this paragraph shall not apply to Chautauquas, lecture lyceums, agricultural or industrial fairs, or exhibitions held under the auspices of religious or charitable associations: Provided further, That an aggregation of entertainments, known as a street fair, shall not pay a larger tax than \$100 in any State, Territory, or in the District of Columbia.

(8) Proprietors of bowling alleys and billiard rooms shall pay \$10 for each alley or table. Every building or place where bowls are thrown or where games of billiards or pool are played, except in private homes, shall be regarded as a bowling alley or a billiard room respectively.

(9) Proprietors of shooting galleries shall pay \$20. Every building, space, tent, or area, where a charge is made for the discharge of firearms at any form of target shall be regarded as a shooting gallery.

(10) Proprietors of riding academies shall pay \$100. Every building, space, tent, or area, where a charge is made for instruction in horsemanship or for facilities for the practice of horsemanship shall be regarded as a riding academy.

(11) Persons carrying on the business of operating or renting passenger automobiles for hire shall pay \$10 for each such automobile having a seating capacity of more than two and not more than seven, and \$20 for each such automobile having a seating capacity of more than seven.

(12) Every person carrying on the business of a brewer, distiller, wholesale liquor dealer, retail liquor dealer, wholesale dealer in malt liquor, retail dealer in malt liquor, or manufacturer of stills, as defined in section 3244 as amended and section 3247 of the Revised Statutes, in any State, Territory, or District of the United States contrary to the laws of such State, Territory, or District,

or in any place therein in which carrying on such business is prohibited by local or municipal law, shall pay, in addition to all other taxes, special or otherwise, imposed by existing law or by this act, \$1,000.

The payment of the tax imposed by this subdivision shall not be held to exempt any person from any penalty or punishment provided for by the laws of any State, Territory, or District for carrying on such business in such State, Territory, or District, or in any manner to authorize the commencement or continuance of such business contrary to the laws of such State, Territory, or District, or in places prohibited by local or municipal law.

The taxes imposed by this section shall, in the case of persons upon whom a corresponding tax is imposed by section 407 of the Revenue Act of 1916, be in lieu of such tax.

Sec. 1002.

That on and after January 1, 1919, there shall be levied, collected, and paid annually, in lieu of the taxes imposed by section 408 of the Revenue Act of 1916, the following special taxes, the amount of such taxes to be computed on the basis of the sales for the preceding year ending June 30—

Manufacturers of tobacco whose annual sales do not exceed fifty thousand pounds shall each pay \$6;

Manufacturers of tobacco whose annual sales exceed fifty thousand and do not exceed one hundred thousand pounds shall each pay \$12;

Manufacturers of tobacco whose annual sales exceed one hundred thousand and do not exceed two hundred thousand pounds shall each pay \$24;

Manufacturers of tobacco whose annual sales exceed two hundred thousand pounds shall each pay \$24, and at the rate of 16 cents per thousand pounds, or fraction thereof, in respect to the excess over two hundred thousand pounds;

Manufacturers of cigars whose annual sales do not exceed fifty thousand cigars shall each pay \$4;

Manufacturers of cigars whose annual sales exceed fifty thousand and do not exceed one hundred thousand cigars shall each pay \$6;

Manufacturers of cigars whose annual sales exceed one hundred

thousand and do not exceed two hundred thousand cigars shall each pay \$12;

Manufacturers of cigars whose annual sales exceed two hundred thousand and do not exceed four hundred thousand cigars shall each pay \$24;

Manufacturers of cigars whose annual sales exceed four hundred thousand cigars shall each pay \$24, and at the rate of 10 cents per thousand cigars, or fraction thereof, in respect to the excess over four hundred thousand cigars;

Manufacturers of cigarettes, including small cigars weighing not more than three pounds per thousand, shall each pay at the rate of 6 cents for every ten thousand cigarettes or fraction thereof.

In arriving at the amount of special tax to be paid under this section, and in the levy and collection of such tax, each person engaged in the manufacture of more than one of the classes of articles specified in this section shall be considered and deemed a manufacturer of each class separately.

DELAWARE.**July 1.**

Last day to pay franchise tax for current year without penalty. After this date one per cent per month is added thereto. (For text of law see page 86.)

First Monday of July.

Local taxes become payable in New Castle county and tax collectors post notices of the time and place when they will attend to receive the same (Code 1915, Par. 1148).

MAINE.**July 1.**

All certificates of authority granted to foreign surety, credit and insurance companies and all licenses issued to insurance agents, representatives and brokers expire unless renewed (Rev. Stats. 1916, Chap. 53, Secs. 102, 105, 121, 150; Chap. 54, Sec. 29).

July 1.

Board of State Assessors assess franchise tax on domestic business corporations (Rev. Stats. 1916, Chap. 9, Sec. 19) as follows:

The board of state assessors shall, on or before the first day of July, annually, assess the tax provided by the preceding section upon the authorized capital stock of each of said corporations and shall certify the same to the secretary of state, who shall thereupon notify each of said corporations of the amount of said tax assessed to it, and such tax shall become due and payable from said corporation into the state treasury, on the first day of September thereafter.

July 1.

Secretary of State notifies attorney-general of domestic business corporations which have failed to file franchise tax report (Rev. Stats. 1916, Chap. 51, Sec. 30) as follows:

Whenever any corporation or its officers neglect to make to the secretary of state any return required by law, the secretary of state shall forthwith notify the attorney-general, who shall proceed at once by action of debt in the name of the state, to enforce the penalties therefor, and shall make itemized return thereof in his annual report. The secretary of state, on or before

the first day of July, annually, shall furnish the attorney-general with a statement showing which of said corporations, if any, have failed to comply with the preceding section, with such other memoranda from his office as will aid the attorney-general in obtaining service upon such delinquent corporation. In addition to said penalties, the following costs shall be recovered in behalf of the state against said corporation, to wit: for the attorney-general, for the writ, an attorney fee, and travel and attendance at court not exceeding two terms; and for the state, such other costs as are legally taxable in actions at law. Such action may be brought in any county.

MASSACHUSETTS.

July 1.

Renewal license fee of \$2.00 must be paid by agents of foreign insurance companies before this date (Laws 1907, Chap. 576, Sec. 93).

NEW JERSEY.

July 1. ✓

Real estate on which taxes for preceding year remain unpaid may be sold (Public Laws 1918, p. 886) as follows:

When any municipal lien, or part thereof, on real property remains in arrears on the first day of July in the year following the date when the same became in arrears, the collector, or other officer charged by law in the municipality with that duty, shall enforce such lien by selling such property in the manner set forth in this act. The term "collector" as hereinafter used shall be taken to include any such officer, and the term "officer" shall be taken to include the collector.

July 1. ✓

Last day for domestic corporations to pay franchise tax without interest; interest at the rate of 1% per month is charged thereafter (see text of law on page 140).

July 1.

Domestic corporations which have failed to pay franchise taxes for two years may be dissolved (Public Laws 1905, p. 508; Duryea vs. Amer. W. Machine Co., 133 Fed. Rep. 329) after this date.

July 15.

Last day for fire insurance companies to file semi-annual list of brokers (see text of law on page 29).

NEW YORK.**July 1.**

Last day for insurance companies to pay franchise tax without penalty. After this date five per cent is added thereto plus one per cent per month until the tax is paid (Tax Law, Sec. 197).

July 1.

Last day for moneyed corporations to file statement with local assessors without penalty. (For text of law see page 145.)

July 1.

Domestic and foreign business corporations file income tax report with State Tax Commission (Tax Law, Secs. 211 to 213) as follows:

Sec. 211.

Every corporation taxable under this article as well as foreign corporations having officers, agents or representatives within the state shall annually on or before July first, or within thirty days after the making of its report of entire net income to the United States treasury department for any fiscal or calendar year, transmit to the tax commission a report in the form prescribed by the tax commission specifying: 1. The name and location of the principal place of business of such corporation, the state under the laws of which organized, and the date thereof; the amount of its issued capital stock and the kind of business transacted. Any corporation not organized under the laws of any state within the United States shall state the facts in relation to its entire net income as though organized under the laws of this state.

2. The amount of its entire net income for its preceding fiscal or the preceding calendar year as shown in the last return of annual net income made by it to the United States treasury department. If the corporation shall claim that the return made

to the United States treasury department was inaccurate, the amount claimed by it to be the net income for such period shall be specified. If any deduction has been allowed for losses sustained by the corporation in prior years the amount so allowed and deducted shall be specified.

3. The average monthly value for the fiscal or calendar year of its real property and tangible personal property in each city, village or portion of a town outside of a village within the state, and the average monthly value of all its real property and tangible personal property wherever located.

4. The average monthly value for the fiscal or calendar year of bills and accounts receivable for (a) personal property sold by the corporation from merchandise manufactured by it within this state; (b) personal property sold by the corporation from merchandise owned by it and located within the state at the time of the acceptance of the order, but not manufactured by it within this state; and (c) services performed, based on all orders received at offices maintained by the corporation within this state; excluding bills and accounts receivable arising from sales made from a stock of merchandise or other property located at a place of business maintained by the reporting corporation within this state. Also the average total monthly value for the fiscal or calendar year of bills and accounts receivable for (a) personal property sold by the corporation from merchandise manufactured by it within and without the state, (b) personal property sold by the corporation from merchandise owned by it at the time of the acceptance of the order but not manufactured by it; and (c) services performed, based on orders received at offices maintained by the corporation, excluding bills and accounts receivable on orders filled from a stock of merchandise or other property maintained by the reporting company.

5. The average total value for the fiscal or calendar year of the stock of other corporations owned by the corporation, and the proportion of the average value of the stock of such other corporations within the state of New York, as allocated pursuant to section two hundred and fourteen of this chapter.

6. If the corporation has no real or tangible personal property within the state, the city, village or portion of a town outside of a village in the state in which is located the office in which its principal financial concerns within the state are transacted.

7. Such other facts as the tax commission may require for the purpose of making the computation required by this article.

8. Any corporation taxable hereunder upon its entire net income may omit from its report the statements required by subdivisions four and five by incorporating in its report a consent to be taxed upon its entire net income. Corporations having no net income shall, however, complete the segregation of assets in every case.

Sec. 212.

A corporation which reports to the United States treasury department on the basis of its fiscal year, may report to the tax commission upon the same basis, except as provided in section two hundred and fourteen-a of this chapter.

Sec. 213.

Every report required by this article shall have annexed thereto the affidavit of the president, vice-president, secretary or treasurer of the corporation to the effect that the statements contained therein are true. Blank forms of the report shall be furnished by the tax commission, on application, but failure to secure such a blank shall not release any corporation from the obligation of making a report herein required. The commission may require a further or supplemental report under this article to contain further information and data necessary for the computation of the tax herein provided.

July 1.

Residence on this date determines place of assessment and taxation for the year (Tax Law, Sec. 8).

July 1.

Real estate is assessed as of this date, except in New York City (Tax Law, Sec. 9).

July 1.

Ten per cent penalty added to unpaid water charges for current year in New York City. (For text of law see page 34.)

July 1.

On or before this date trustees of savings banks make semi-annual examination of its affairs. (For text see page 33.)

July 1.

Receivers of insolvent banking corporations file report with Superintendent of Banks. (For text of law see page 36.)

July 1 to 31.

Corporations licensed to act as agent for foreign fire insurance companies which are not authorized to do business in New York pay three per cent of gross premiums, etc. (For text of law see page 42.)

July 1 to 31.

Corporations which have made trust mortgages against which all bonds have not been issued file statement with Tax Commission and also in office where mortgage is recorded (Tax Law, Sec. 259) as follows:

In the case of mortgages made by corporations in trust to secure payment of bonds or obligations issued or to be issued thereafter, if the total amount of principal indebtedness which under any contingency may be advanced or accrue or which may become secured by any such mortgage which is subject to this article has not been advanced or accrued thereon or become secured thereby before such mortgage is recorded, it may contain at the end thereof a statement of the amount which at the time of the execution and delivery thereof has been advanced or accrued thereon, or which

is then secured by such mortgage; thereupon the tax payable on the recording of the mortgage shall be computed on the basis of the amount so stated to have been so advanced or accrued thereon or which is stated to be secured thereby. Such statement shall thereafter at all times be binding upon and conclusive against the mortgagee, the holders of any bonds or obligations secured by such mortgage and all persons claiming through the mortgagee any interest in the mortgage or in the mortgaged premises. Whenever a further amount is to be advanced under the original mortgage, or shall accrue thereon or become secured thereby, the corporation making such mortgage shall pay the tax on such amount at or before the time when such amount is to be advanced, accrues or becomes secured and shall at the time of paying such tax, file in the office of the recording officer where such mortgage has been or is first recorded and with the tax commission a statement, verified by the secretary, treasurer or other proper officer of said corporation of the amount of principal indebtedness to be so advanced, accruing or becoming secured, and the certification of any bond or bonds by the trust mortgagee shall be deemed an advance under this article. Such additional tax shall be paid to the recording officer where such mortgage has been or is first recorded and a receipt therefor shall be indorsed upon the mortgage and payment therefor shall be noted in the margin of the record of such mortgage and if requested a duplicate receipt for such payment shall also be given to the party paying such tax and the note of such payment or additional payment or such receipt shall have the same force and effect as the record of receipt of the tax which under this article is payable at or before the recording of the mortgage. If such additional tax is not paid as required by this section, the trust mortgagee shall not certify any bond or other obligation issued on account thereof. The corporation making such mortgage or the owner of the property which secures the mortgage debt shall annually within thirty days after July first, and until it shall appear by such statement that the maximum amount of principal indebtedness secured by such mortgage has been advanced, has accrued or become secured and the tax thereon paid, file in the office of the tax commission and the recording officer where such mortgage has been or is first recorded a statement, verified by the secretary, treasurer or other proper officer of said corporation, showing:

1. The name of the mortgagor and the mortgagee;
2. The date of the mortgage and the county where first recorded;
3. The maximum amount of principal debt or obligation which under any contingency may be secured by such mortgage;
4. The amount advanced on such mortgage during the year ending June thirtieth preceding, with the date and the amount of each advancement;

5. In the case of a mortgage recorded prior to July first, nineteen hundred and six, the first annual statement filed under this section as hereby amended, shall state the total amount advanced prior to July first, nineteen hundred and six, and the date and the amount of each subsequent advancement to the end of the period covered by the statement.

A failure to file any statement required by this section within the specified time shall subject the corporation or other person required to file such statement to a penalty of not less than one dollar nor more than one hundred dollars for each one thousand dollars of the maximum amount of principal indebtedness which is or under any contingency may become secured by the mortgage, which penalty in the aggregate shall not exceed the sum of five thousand dollars, recoverable by the attorney-general in an action brought in the name of the people of the state of New York.

July 1 to August 31.

Domestic life insurance companies which have deposited securities to secure registered policies and annuity bonds make report of such policies and bonds to Superintendent of Insurance (Insurance Law, Sec. 74) as follows:

Every such corporation shall annually on July first or within sixty days thereafter report to the superintendent of insurance under the oath of the president and actuary the exact condition of the registered policies received from the superintendent and of the premium account of such policies, and shall deposit with the superintendent additional securities of the kind in which the minimum amount of cash capital of domestic insurance corporations is required to be invested by the provisions of section sixteen of article one of this chapter, to an amount equal to any

increase in value of the policies heretofore issued and which shall remain in force, valued by the same rule as upon the issue thereof. No one bond or mortgage so deposited shall be for a less sum than five thousand dollars. The securities thus from time to time deposited, or so large an amount thereof as may be necessary to equal at all times the net value of all the outstanding registered policies and annuity bonds of such corporation, shall be held by the superintendent in trust, as provided in the preceding section, until the obligations of such corporation under such registered policies and annuity bonds shall, to the satisfaction of the superintendent, be fully liquidated, canceled and annulled.

The state shall not be deemed to have incurred any obligation to pay the policies and annuity bonds so issued, beyond the proper application of the securities so deposited toward their liquidation, as in this article provided.

The treasurer of the state, and any person duly authorized by the depositing or reinsuring corporation, shall, at all times, in the usual office hours, have access to the books and other documents in the insurance department relating to the deposits made, and policies and annuity bonds issued, under the provisions of this article, and to such securities as may be necessary for the examination thereof.

The treasurer shall for the services required by this chapter receive an annual salary of two hundred and fifty dollars to be paid by the corporations availing themselves of the provisions of this and the preceding section.

Any such depositing corporation may at any time withdraw any excess of securities above the net present value hereinbefore specified, upon satisfying the superintendent by written proof to be filed in the department that such excess exists, and shall be allowed to receive the interest on all securities deposited and to exchange such securities by substituting other securities of the kind in which the minimum amount of cash capital of domestic insurance corporations is required to be invested by the provisions of section sixteen of article one of this chapter.

July 11.

In Nassau county interest at seven per cent from June 1st is added to unpaid general property tax (Laws 1917, Chap. 297, Sec. 31).

PENNSYLVANIA.**July 1.**

Trust companies which are depositaries of bonds for foreign bond and investment companies or foreign building and loan associations make report thereof to the Commissioner of Banking. (For text of law see page 46.)

July 1.

Domestic stock insurance companies make report to the Auditor General of premiums received during preceding six months. (For text of law see page 47.)

July 1.

In the city of Philadelphia 6% plus interest from December 31st preceding is added to unpaid taxes of previous year (Act April 19, 1883, Sec. 13, P. L. 12).

July 1.

Mercantile license tax due and payable by wholesale and retail merchants and by manufacturers who keep a store or warehouse for selling goods separate from their factory (Act May 2, 1899, P. L. 184; Act June 14, 1901, Sec. 1, P. L. 565).

For rates of tax, see Summary of Pennsylvania Taxation at page 285 hereof.

July 1.

Penalty of 1% added to unpaid city and poor taxes in third-class cities, plus 1% additional on the first of

each month thereafter until paid (Act May 29, 1917; P. L. 1917, p. 315).

July 31.

Last day to make third quarterly payment of local taxes in second-class cities without penalty (Act July 20, 1917; P. L. 1917, p. 1173).

July 31.

Domestic stock insurance companies pay tax of eight mills on the dollar ($\frac{4}{5}$ of 1%) on gross premiums received during six months ending on preceding June 30. (For text of law see page 47.)

AUGUST.**FEDERAL.****August 10.**

Monthly returns required from dealers in leaf tobacco and manufacturers of playing cards. For details see entries under January.

August 20.

Various monthly returns must be made by corporations of different classes. For details see entries in January under "20th day of each month."

August 31.

Various monthly returns must be made by corporations of different classes. For details see entries in January under "Last day of each month."

MAINE.**August 1 to 31.**

During this period the Secretary of State publishes a list of corporations which have failed to pay their franchise tax for the preceding year (Rev. Stats. 1916, Chap. 9, Sec. 23) as follows:

The secretary of state shall annually prepare a list of all corporations that have failed to pay their annual franchise tax for the preceding year, giving the corporate name, the name of the treasurer last filed in the office of the secretary of state, and the amount of the tax due from each corporation, except those from which by reason of having been duly excused as provided by statutes, or dissolved by decree of court, no franchise tax is due for such year, which list shall be published three times for three consecutive weeks in the month of August in three places within the state, namely, Bangor, Portland, and Augusta, in such newspapers in each place as the secretary of state may select. If any corporation so advertised shall fail to pay all franchise tax due the state for such year, and the expenses of advertising the same, on or before the first day of December following, its charter shall be suspended, and such corporation shall have no right to use the same.

NEW JERSEY.**August 1✓**

✓ If franchise taxes for the current year remain unpaid on this date, an action at law may be commenced to enforce payment (Act April 18, 1884, Sec. 6; for text see page 141).

NEW YORK.**August 1.**

Domestic trust companies, savings banks and investment companies file franchise tax reports on or before this date (Tax Law, Sec. 192, subs. 7, 8, 9) as follows:

7. Trust companies. Every company liable to pay a tax under section one hundred and eighty-eight of this chapter shall, on or before August first in each year, make a written report to the tax commission of its condition at the close of business on June thirtieth preceding, separately stating the amount of its capital stock, the amount of its surplus, and the amount of its undivided profits, and containing such other data, information or matter as the comptroller may require.

8. Savings banks. Every savings bank liable to pay a tax under section one hundred and eighty-nine of this chapter, shall on or before August first in each year, make a written report to the tax commissioner of its condition at the close of business on June thirtieth preceding, stating the par value of its surplus, and undivided earnings and containing such other data, information or matter as the tax commission may require.

9. Investment companies. Every investment company liable to pay a tax under section one hundred and eighty-eight-a of this chapter shall, on or before August first in each year, make a written report to the tax commission of its condition at the close of business on June thirtieth preceding, separately stating the amount of its capital stock, the amount of its surplus, and the amount of its undivided profits, and containing such other data, information or matter as the tax commission may require.

Note: The sections of the Tax Law under which these corporations are taxed read as follows:

Sec. 188.

Every trust company incorporated, organized or formed under, by or pursuant to a law of this state, and any company authorized to do a trust company's business solely or in connection with

any other business, under a general or special law of this state, shall pay to the state annually for the privilege of exercising its corporate franchise or carrying on its business in such corporate or organized capacity, an annual tax which shall be equal to one per centum on the amount of its capital stock, surplus, and undivided profits.

Sec. 188a.

Every investment company incorporated, organized or formed under, by or pursuant to the banking law of this state and actually exercising the powers conferred by both subdivisions two and four of section two hundred and ninety-three of the banking law, shall annually pay to the state, for the privilege of exercising its corporate franchise or carrying on its business in such corporate or organized capacity, a tax of an amount equal to one and one-half mills for every dollar face value of its capital, and in addition thereto a tax equal to one per centum of its surplus and undivided profits. (Added by L. 1917, chap. 707, in effect June 1, 1917.)

Sec. 189.

Every savings bank incorporated, organized or formed under, by or pursuant to a law of this state, shall pay to the state annually for the privilege of exercising its corporate franchise or carrying on its business in such corporate or organized capacity, an annual tax which shall be equal to one per centum on the par value of its surplus and undivided earnings.

August 1.

Savings banks file semi-annual report with Superintendent of Banks as of July 1st. (For text of law see page 63.)

August 1.

Assessors complete general property tax assessment, assessment roll is open for public inspection and re-

mains open until third Tuesday of August. (Does not apply to New York City, Nassau and Westchester counties.) (Tax Law, Sec. 36) as follows:

The assessors shall complete the assessment-roll on or before the first day of August, and make out a copy thereof, to be left with one of their number, and forthwith cause a notice to be conspicuously posted in three or more public places in the tax district, stating that they have completed the assessment-roll, and that a copy thereof has been left with one of their number at a specified place, where it may be seen and examined by any person until the third Tuesday of August next following, and that on that day they will meet at a time and place specified in the notice to review their assessments. In any city the notice shall conform to the requirements of the law regulating the time, place and manner of revising assessments in such city. During the time specified in the notice the assessor with whom the roll is left shall submit it to the inspection of every person applying for that purpose.

August 1.

In Westchester county penalty of seven per cent is added to unpaid general property tax (Laws 1916, Chap. 105, Secs. 15, 18).

August 1.

If general property tax of preceding year, with interest thereon at 10% remains unpaid on this date, County Treasurer advertises lands to be sold in six months. This applies to St. Lawrence, Franklin, Lewis, Clinton, Warren and Washington counties and counties not including a portion of the forest preserve (Tax Law, Sec. 150).

August 1 to 5.

Except in Westchester and Nassau counties, notice of assessment of general property tax is mailed to cor-

porations nonresident of tax district who have requested it (Tax Law, Sec. 36a; for text see page 180).

August 15.

In New York City, if personal property tax remains unpaid, Receiver of Taxes may issue warrant to marshal to collect the same (Charter, Sec. 926) as follows:

It shall be lawful for the said receiver, if any tax for personal property and the interest thereon, as hereinbefore provided, shall remain unpaid on the fifteenth day of the month of August, succeeding the receipt by him of the rolls, to issue his warrant under his hand and seal directed to any marshal commanding him to levy the said tax, with interest thereon at the rate of seven per centum per annum from the day on which said taxes became due and payable as provided by section nine hundred and fourteen of this act to the time when the same shall be paid by distress and sale of the goods and chattels of the person against whom the said warrant shall be issued, or of any goods and chattels in his or her possession, wheresoever the same shall be found within the said city, and to pay the same to the said receiver and return such warrant within thirty days after the date thereof. For the purpose of this section the jurisdiction of the marshal is co-extensive with the City of New York. The comptroller of the City of New York, however, may from time to time as may be necessary to insure prompt collection of said tax, extend or renew such warrant, but no single extension or renewal thereof shall in any event exceed sixty days.

Third Tuesday of August.

Assessors meet to review assessments for general property tax. (For text of law see page 180.)

Third Tuesday of August.

Last day for corporations having property in more than one tax district in a county to make application

to assessors for review of assessment (Tax Law, Secs. 36a, 37) as follows:

Sec. 36a.

The assessors shall between the first and fifth day of August mail a notice to each person and corporation non-resident of their tax district, who has filed with the city or town clerk, on or before the fifteenth day of June preceding, a written demand therefor. Such notice shall specify each parcel or portion of real property separately assessed to said nonresident person or corporation and the assessed valuation thereof. Upon application made on or before the third Tuesday of August by any nonresident owner of real estate, or by a corporation, having real property in more than one tax district in the county, the assessors shall fix a time subsequent to the third Tuesday in August, but not later than the thirty-first day of August, for a hearing and to review their assessment. (Added by L. 1916, chap. 323, in effect Apr. 26, 1916; thus am'd by L. 1917, chap. 489, in effect May 15, 1917.)

Sec. 37.

The assessors shall meet at the time and place specified in such notice, and hear and determine all complaints in relation to such assessments brought before them, and for that purpose they may adjourn from time to time. Such complainants shall file with the assessors a statement, under oath, specifying the respect in which the assessment complained of is incorrect, which statement must be made by the person assessed or whose property is assessed, or by some person authorized to make such statement, and who has knowledge of the facts stated therein. The assessors may administer oaths, take testimony and hear proofs in regard to any such complaint and the assessment to which it relates. If not satisfied that such assessment is erroneous, they may require the person assessed, or his agent or representative, or any other person, to appear before them and be examined concerning such complaint, and to produce any papers relating to such assessment with respect to his property or his residence for the purpose of taxation. The assessors shall, after said examination, fix the value of the property of the complainant and for that purpose may increase or diminish the assessment thereof. If any such

person, or his agent or representative, shall wilfully neglect or refuse to attend and be so examined, or to answer any material question put to him, such person shall not be entitled to any reduction of his assessments. Minutes of the examination of every person examined by the assessors upon the hearing of any such complaint shall be taken and filed in the office of the town or city clerk.

August 31.

Last day for certain domestic life insurance companies to make report to Superintendent of Insurance of registered policies and annuity bonds. (For text of law see page 169.)

August 31.

Last day for hearing by assessors to review general property tax assessment of nonresidents and corporations having property in more than one tax district in the county. (For text of law see page 180.)

PENNSYLVANIA.

August 1.

In the city of Philadelphia 7% plus interest from December 31st preceding is added to unpaid taxes of previous year (Act April 19, 1883, Sec. 13, P. L. 12).

August 1.

Third quarterly payment of local taxes for current year in second-class cities becomes delinquent; 2% penalty added thereto plus $\frac{1}{2}\%$ monthly until paid (Act July 20, 1917; P. L. 1917, p. 1173).

S E P T E M B E R .**FEDERAL.****September 10.**

Monthly returns required from dealers in leaf tobacco and manufacturers of playing cards. For details see entries under January.

September 15.

Third quarter of income tax due and payable. (For text of law see page 77.)

September 15.

Last day to which Commissioner of Internal Revenue will extend time for income tax returns made on basis of calendar year, except in cases of nonresidence, etc. (Regulations 45, Art. 444) as follows:

If before the end of an extension of thirty days granted by the collector an accurate return can not be made, an appeal for a further extension must be made to the commissioner with a full recital of the causes for the delay. The commissioner will not grant an additional extension without a clear showing that a complete return can not be made at the end of the thirty day period. The commissioner will grant no such extension beyond the original due date of the third installment of the tax. Either a complete or a tentative return, as complete as possible and giving a ground for assessment of the tax, must be submitted on or before the due date as extended, and the tax shown to be due must be paid with the submission of the return. If a complete return can not be made at that time, the facts must be submitted to the commissioner for such further action as he deems warranted. In exceptional circumstances the taxpayer may apply originally to the commissioner for an extension of time.

September 20.

Various monthly returns due from corporations of different classes. For details see entries in January under "20th day of each month."

September 30.

Various returns must be made by different classes of corporations. For details see entries in January under "Last day of each month."

DELAWARE.**September 30.**

Last day to get discount of five per cent on local taxes paid in New Castle and Sussex counties (Code 1915, Pars. 1174, 1220).

September 30.

Last day to get discount of three per cent on local taxes paid in Kent county (Code 1915, Par. 1215).

MAINE.**September 1.**

Domestic business corporations which have failed to pay their franchise tax for the preceding year are liable to forfeit their charters after this date (Rev. Stats. 1916, Chap. 9, Sec. 21) as follows:

If any corporation liable to taxation under section eighteen shall for one year neglect or refuse to pay to the state any tax or penalty assessed against it hereunder, its charter shall be liable to forfeiture as hereinafter provided.

September 1.

Franchise tax for current year payable by domestic business corporations. (For text of law see page 138.)

Last Saturday of September.

Savings banks make semi-annual returns of deposits, etc., to Bank Commissioner as of this date. (For text of law see page 89.)

Last secular day of September.

Loan and building associations make return of liabilities and assets as of this date. (For text of law see page 91.)

MASSACHUSETTS.**September 1.**

✓ Tax Commissioner sends out notices of amount of income tax (Laws 1916, Chap. 269, Sec. 15) as follows:

The tax commissioner shall, on or before the first day of September in each year, give notice to every person taxable under the provisions of this act of the amount of the tax payable by him, and of the date upon which the tax is due and payable, which date shall be the fifteenth day of October. The notice shall be a written or printed notice, and shall be mailed, postage prepaid, addressed to the person assessed at his place of residence or business, or at the address given in his return, or otherwise delivered at such place of residence or business or at such address. All taxes assessed hereunder may be paid at the office of the tax commissioner in Boston or at the office of the income tax assessor for the district in which the taxpayer resides or has his principal place of business, at the option of the taxpayer, and the notice shall state the places at which the tax may be paid.

Failure to receive the notice provided for by this section shall not affect the validity of the tax.

September 1 to 30.

✓ During this month Tax Commissioner sends to all corporations notice of the amount of their franchise tax.

September 30.

The year ending on this date is the period covering which agents of foreign insurance companies make a report on October 15 (Laws 1907, Chap. 576, Sec. 93).

NEW JERSEY.**September 1. ✓**

✓ County Boards of Taxation must decide all appeals from assessments on or before this date (General Tax Act, Revision of 1918, Sec. 702) as follows:

The county board of taxation shall hear and determine all such appeals on or before the first day of September following, and shall keep a record of its judgments thereon in permanent form, and shall transmit a memorandum of its judgment to the taxpayer, and in all cases where the amount of tax to be paid shall be changed as a result of an appeal, to the collector of the taxing district.

Three months after the first Monday of June.

Attorney-General may apply for injunction against corporations which have failed to pay franchise tax, for bidding them to carry on business in New Jersey (Act April 18, 1884, Sec. 7; for text see page 141).

NEW YORK.**September 1.**

Franchise tax due and payable by trust companies, savings banks and investment companies, and may be paid without penalty for thirty days thereafter (Tax Law, Sec. 197).

September 1.

School taxes payable in Westchester county (Laws 1916, Chap. 105, Secs. 15, 18).

September 1.

Savings banks make report of unclaimed deposits as of August 1st to Superintendent of Banks (Banking Law, Sec. 274) as follows:

On or before the first day of September in each year, every savings bank shall make a report in writing to the superintendent of banks, verified by the oath of the two principal officers of the institution, concerning such accounts of depositors of amounts of ten dollars or more as shall have been dormant for twenty years or more on the preceding first day of August; that is, accounts which have not been increased or diminished by deposits or withdrawals, exclusive of dividend credits; or a report verified in like manner that on the preceding first day of August such savings bank held no such accounts. The accounts of depositors whose pass-books have been presented at the bank for the entry of dividends within such period of twenty years, shall not be deemed dormant accounts within the meaning of this article.

The report of each savings bank in the year nineteen hundred and fourteen shall accurately state the full names of all depositors which the books of the savings bank show to have had ten dollars or more to their credit respectively, whose accounts have been dormant for twenty years or over; such report shall also state

the date on which the original deposit was made, the last known place of residence of the depositor, his or her occupation, date of birth, nationality, parents' names if known, and the date when the savings bank discontinued the crediting of dividends on the account, together with any additional data which may aid in determining the ownership of such dormant account. All subsequent reports shall state the same details with reference to such dormant accounts as have not been previously reported and shall contain a list of such previously reported accounts as have either been paid or shall have become active accounts since the last report, through partial payments, or the presentation of pass-books for the entry of dividends. The sums to the credit of such dormant accounts are not required to be stated in the report.

Every savings bank which shall after September first, nineteen hundred and fourteen, report additional dormant accounts shall cause to be published once in each week for two successive weeks in a newspaper published in the village, borough or city (if in a city not divided into boroughs) in which such savings bank is located, if there be a newspaper published there, and once in a newspaper at Albany in which notices by state officers are required by law to be published, a list containing the full names of the depositors of such dormant accounts not previously reported, and their last known places of residence, and shall file proof by affidavit of such publication in the banking department on or before October first in each year.

Any such savings bank failing to make any report or to file any affidavit of publication required by this section shall forfeit to the people of the state the sum of one hundred dollars for each day such report or the filing of such affidavit of publication shall be so delayed or withheld, unless the time therefor shall have been extended by the superintendent as provided by section forty-nine of this chapter.

September 1.

In cities, assessment roll for general property tax is filed with city clerk (Tax Law, Sec. 39) as follows:

In cities the assessment-roll when thus finally completed and verified shall be filed on or before September first, in the office of the city clerk, there to remain for fifteen days for public

inspection. The assessors shall forthwith cause a notice to be posted conspicuously in at least three public places in the tax district and to be published in one or more newspapers, if any, published in the city, that such assessment-roll has been finally completed and stating that it has been so filed and will be open to public inspection. At the expiration of such fifteen days, the city clerk shall deliver such roll to a supervisor of the tax district embraced therein. In towns assessors shall prepare and verify the assessment-roll, and make and certify one copy thereof. When the assessment-roll shall have been thus finally completed and verified, and the copy thereof certified the assessors shall, on or before the fifteenth day of September, file the said certified copy in the office of the town clerk, to remain for public inspection until delivered by the town clerk to the supervisor of the town as hereinafter provided. The assessors shall forthwith cause a notice to be posted conspicuously in at least three public places in the tax district and to be published in one or more newspapers, if any, published in the town, that such assessment-roll has been finally completed and stating that such certified copy has been so filed. The original assessment-roll shall on or before the first day of October be delivered by the assessors to a supervisor of the tax district embraced therein. The certified copy of the assessment-roll on file in the town clerk's office, as heretofore provided, shall on the first day of November be delivered by the town clerk to a supervisor of the tax district embraced therein who shall make such corrections as may be made in the original roll by the board of supervisors and shall extend the tax thereon so that such roll shall be in all respects a copy of the original roll delivered to the collector and said certified copy shall thereafter be returned by the supervisor to the office of the town clerk there to remain as a public record. Notwithstanding the provisions of this section, the board of supervisors of any county may require additional copies of the assessment-rolls of the towns of such county to be made, and specify by whom such additional copies shall be made, the date when the certified copy of the town assessment-roll shall be filed in the office of the town clerk, and the date when the original assessment-roll shall be delivered to the supervisor of the town.

Note: This section does not apply to New York City.

September 1 to 30.

During this period savings banks, banks and trust companies publish list of unclaimed deposits. (For text of law see pages 187, 191.)

September 10.

On or before this date banks and trust companies file report of unclaimed deposits with Superintendent of Banks as of August 1st (Banking Law, Secs. 134, 219). Sec. 134, which relates to banks, is as follows: (Sec. 219, relating to trust companies, is practically identical therewith):

In the month of September in each year, and on or before the tenth day thereof, every bank shall make a written report to the superintendent of banks, verified by the oaths of the president or vice-president and cashier or assistant cashier, which report shall contain a true and accurate statement of all deposits made with the bank and all dividends declared and interest accrued upon any of its stock or other evidences of indebtedness, which on the first day of August preceding such report amounted to fifty dollars or over and had remained unclaimed by any person or persons authorized to receive the same for five years then next preceding. Such statement shall set forth the date of each such deposit, its amount and the name and last known place of residence or post-office address of the person making it, the name of each person in whose favor and the time when any such dividend may have been declared or any such interest may have accrued, its amount, and upon what number of shares or upon what amount of stock or other evidences of indebtedness of such bank, it was declared or accrued. In case any such bank shall at said date have held no such unclaimed deposits, dividends or interest, it shall at the time above specified make a written report to the superintendent so stating, which report shall be verified as herein above provided. No deposits, dividends or interest shall be deemed unclaimed within the meaning of this section if it appears from the books of the bank or from other written evidence on file with the bank

that the person or persons authorized to receive them have knowledge thereof.

Every such bank which reports any unclaimed deposits, dividends or interest under the provisions of this section shall cause to be published once in each week for two successive weeks in a newspaper designated by the superintendent published in the county and in the village or city in which such bank is located, if there be a newspaper published therein, and at least once in a newspaper published at Albany in which notices by state officers are required to be published, a true copy of such report, and shall file with the superintendent of banks on or before the first day of October in each year proof by affidavit of such publication. The expense of such publication shall be paid by the bank, but if, on or before the first day of August in that year, the bank shall have mailed, postage prepaid, to each person authorized to receive any such unclaimed deposit, dividend or interest, at his last known place of residence or post-office address, a statement showing the amount to which such person is entitled and requesting written acknowledgment thereof, the bank may reimburse itself for such expense by deducting the amount thereof from the sums due any such person or persons who shall not have made written acknowledgment before the filing of such report with the superintendent, in the proportion that each such sum bears to the aggregate thereof.

Any such bank failing to make any report or to file any affidavit of publication required by this section shall forfeit to the people of the state the sum of one hundred dollars for each day such report or the filing of such affidavit of publication shall be so delayed or withheld, unless the time therefor shall have been extended by the superintendent as provided by section forty-nine of this chapter.

September 15.

In cities (except New York City) assessment roll for general property tax remains open until this date. (For text of law see page 188.)

September 15.

In towns, assessment roll for general property tax is filed with town clerk. (For text of law see page 188.)

September 16.

Last day to apply for writ of certiorari (except in New York City) to review general property tax assessment (Tax Law, Secs. 290, 291) as follows:

Sec. 290.

Any person assessed upon any assessment-roll, claiming to be aggrieved by any assessment for property therein, may present to the supreme court a petition duly verified setting forth that the assessment is illegal, specifying the grounds of the alleged illegality, or if erroneous by reason of overvaluation, stating the extent of such overvaluation, or if unequal in that the assessment has been made at a higher proportionate valuation than the assessment of other property on the same roll by the same officers, specifying the instances in which such inequality exists, and the extent thereof, and stating that he is or will be injured thereby. Such petition must show that the application has been made in due time to the proper officers to correct such assessment. Two or more persons assessed upon the same roll who are affected in the same manner by the alleged illegality, error or inequality, may unite in the same petition.

Sec. 291.

Such petition must be presented to a justice of the supreme court or at a special term of the supreme court in the judicial district in which the assessment complained of was made, within fifteen days after the completion and filing of the assessment-roll and the first posting or publication of the notice thereof as required by this chapter. Upon the presentation of such petition, the justice or court may allow a writ of certiorari to the officers making the assessment, to review such assessment, and shall pre-

scribe therein the time within which a return thereto must be made and served upon the relator's attorney, which shall not be less than ten days, and may be extended by the court or a justice thereof. Such writ shall be returnable to a special term of the supreme court of the judicial district in which the assessment complained of was made. The allowance of the writ shall not stay the proceedings of the assessors or other persons to whom it is directed or to whom the assessment is delivered, to be acted upon according to law.

September 30.

Owners and lessees of shellfish grounds deliver statement giving details thereof to Superintendent of Marine Fisheries (Conservation Law, Sec. 307) as follows:

All owners, lessees or persons in possession of shellfish grounds within the state of New York, shall on or before the thirtieth day of September, annually, deliver to the superintendent at his office a statement under oath, specifying the number of acres of shellfish grounds owned, leased or used by them on the first day of August preceding, and the location, description and value thereof and whether held under grant, lease or otherwise, and printed blanks shall be prepared by the commission and furnished upon application at the office of the bureau of marine fisheries. But in case an owner, lessee or persons in possession as aforesaid shall have made a previous statement and shall so make and file an affidavit thereof on or before September thirtieth in each year, showing that no change has been made in his or their holding as rendered in the previous statement, then such previous statement shall be taken as the statement for the year in which the affidavit is filed. In case of the failure of any such person to deliver such statement to said superintendent at his office within the time above specified, or, if any statement so delivered to him shall erroneously state the number of acres subject to the tax hereinafter imposed, said superintendent shall make up a statement from the best information he may obtain, and shall add for such default to the tax hereinafter provided twenty per centum of the amount of such tax. The said superintendent shall annually

make up and keep a book in his office to be known as the assessment-book, in which he shall set down alphabetically the names and addresses of the owners, lessees or persons in possession of all shellfish grounds within the state, the number of acres held or possessed by them and the location thereof as shown by the statements aforesaid, the amount of the tax payable thereon as hereinafter provided, and any penalty thereon; such assessment-book shall also contain columns for the date of payment of such tax and the amount of tax and penalty paid.

PENNSYLVANIA.

September 1 to 30.

Manufacturing, mining, mechanical and quarrying companies file certificate of paid-up capital stock, etc. (Act April 29, 1874, Sec. 39, Cl. 8) as follows:

Every such corporation shall, annually, in September, make, and the president, treasurer and a majority of the directors, shall sign, swear to and deposit with the recorder of deeds for said county, a certificate stating the amount of capital stock paid in, the names and number of shares held by each stockholder, the amount invested in real estate and personal estate, the amount of property owned and debts due to the corporation, on the first day of August next preceeding the date of such certificates, and the amount, as nearly as can be ascertained, of existing demands against the corporation at the date of the certificate.

Note: As no penalty is provided for failure to file this certificate, the foregoing statute is largely inoperative.

OCTOBER.**FEDERAL.****October 10.**

Monthly returns required from dealers in leaf tobacco and manufacturers of playing cards. For details see entries under January.

October 20.

Various monthly returns must be made by corporations of different classes. For details see entries in January under "20th day of each month."

October 31.

Various monthly returns must be made by corporations of different classes. For details see entries in January under "Last day of each month."

MAINE.**October 1.**

Action may be commenced against corporations to recover unpaid franchise taxes for the current year (Rev. Stats. 1916, Chap. 9, Sec. 20) as follows:

Such tax shall be a debt due from such corporation to the state, for which an action of debt may be maintained after the same shall have been in arrears for the period of one month; such tax shall also be a preferred debt in case of insolvency under the laws of this state, or in any process of liquidation in its courts.

First Saturday of October.

Last day for savings banks to make semi-annual return to Bank Commissioner. (For text of law see page 89.)

First Saturday of October.

Last day for domestic trust and banking companies to make semi-annual return to Bank Commissioner. (For text of law see page 88.)

Second Monday of October.

Last day for loan and building associations to make semi-annual report to Board of State Assessors. (For text of law see page 91.)

Last Saturday of October.

Last day for foreign banks to make semi-annual report to Bank Commissioner. (For text of law see page 106.)

MASSACHUSETTS.**October 1.**

Casualty insurance companies render statement to Insurance Commissioner (Laws 1907, Chap. 576, Sec. 11) as follows:

Every insurance company which has for ten years or more undertaken to insure persons, firms or corporations against loss or damage on account of the bodily injury or death by accident of any person for which loss or damage said persons, firms or corporations are respectively responsible shall, on or before the first day of October in each year, render to the insurance commissioner, a statement in writing of its business transacted in the United States, which shall show separately for each of the five calendar years constituting the first half of the period of ten years next preceding the thirty-first day of December of the year in which the statement is made:

(1) The number of persons reported injured under all its forms of liability policies, whether such injuries were reported to the home office of the company or to any of its representatives, and whether such injuries resulted in loss to the company or not;

(2) The amount that, on or before the thirty-first day of August of the year in which the statement is made, had been paid on account or in consequence of all injuries so reported, including therein all payments on suits arising from such injuries;

(3) The number of suits or actions under such policies on account of injuries reported which have been settled either by payment or compromise;

(4) The amount paid in settlement of such suits or actions on or before the thirty-first day of August of the year when the statement is made, including therein all payments made on account or in consequence of injuries from which the suits arose, whether prior to or later than the date when the suits were brought.

October 15.

Agents of foreign insurance companies make return to Tax Commissioner of business transacted during

preceding year (Laws 1907, Chap. 576, Sec. 93) as follows:

Every agent of a foreign insurance company shall annually, on or before the fifteenth day of October, make return to the tax commissioner of all business transacted by him as such agent during the year ending with the thirtieth day of September last preceding, in such form as the tax commissioner may prescribe; and all books, papers and accounts of his agency shall be open to the inspection of the tax commissioner at any time to enable him to verify the statements and transactions aforesaid.

October 15.

✓ Local taxes are payable and tax-bills therefor are sent out not later than this date (Laws 1909, Chap. 490, Part I, Sec. 71) as follows:

Taxes shall be payable in every city and town and in every fire, water, watch or improvement district, in which the same are assessed, and bills for the same shall be sent out, not later than the fifteenth day of October of each year, unless by vote, ordinance or by-law of the city, town or district, an earlier date of payment is fixed. On all taxes remaining unpaid after the expiration of fifteen days from the date when taxes are payable, interest shall be paid at the rate of six per cent per annum, computed from the date on which they become payable; but if, in any case, the tax bill is sent out later than the day prescribed, interest shall be computed only from the expiration of such fifteen days. In no case shall interest be added to taxes paid prior to the expiration of fifteen days from the date when they are payable.

October 15.

State income tax is payable (Laws 1916, Chap. 269).

October 20.

✓ Corporation franchise taxes are payable. Interest thereon at the rate of six per cent per annum is charged after this date (Laws 1909, Chap. 490, Part III, Secs. 43, 57, 60) as follows:

Sec. 43.

Every corporation subject to the provisions of section forty shall annually pay a tax upon its corporate franchise, after making the deductions provided for in section forty-one, at a rate equal to the average of the annual rates for three years preceding that in which such assessment is laid, the annual rate to be determined by an apportionment of the whole amount of money to be raised by taxation upon property in the commonwealth during the same year, as returned by the assessors of the several cities and towns under the provisions of section fifty-nine of Part I, after deducting therefrom the amount of tax assessed upon polls for the preceding year, as certified to the tax commissioner, upon the aggregate valuation of all cities and towns for the preceding year, as returned under sections fifty-nine and sixty of Part I; but the said tax upon the value of the corporate franchise of a domestic business corporation, after making the deductions provided for in section forty-one, shall not exceed a tax levied at the rate aforesaid upon an amount, less said deductions, excepting, however, securities which, if owned by a natural person resident in this commonwealth, would not be liable to taxation, twenty per cent in excess of the value, as found by the tax commissioner, of the works, structures, real estate, machinery, poles, underground conduits, wires and pipes, and merchandise, and of securities which if owned by a natural person resident in this commonwealth would be liable to taxation; and the total amount of the tax to be apaid by such corporation in any year upon its property locally taxed in this commonwealth and upon the value of its corporate franchise shall amount to not less than one-tenth of one per cent of the market value of its capital stock at the time of said assessment as found by the tax commissioner; and the total amount of the tax to be paid by a trust company in any year upon the value of its corporate franchise shall amount to not less than two-fifths of one per cent of the total amount of its capital stock, surplus and undivided profits at the time of said assessment as found by the tax commissioner.

2. In determining the value of the corporate franchise of a trust company for purposes of taxation, that part of its real estate represented by its interest as mortgagee in taxable real estate within the commonwealth shall, for purposes of deduction under

clause Fourth of section forty-one of Part III of chapter four hundred and ninety of the acts of nineteen hundred and nine, as amended by section six of chapter one hundred nad ninety-eight of the acts of nineteen hundred and fourteen, be regarded as the average amount of value of such part of its real estate for the year for which the tax on the corporate franchise is levied, such average amount of value to be determined monthly in such manner as the tax commissioner shall deem just.

3. Section one of this act shall take effect upon its passage. Section two shall take effect upon the termination of the present war as defined by federal authority.

Sec. 57.

The tax commissioner shall annually, as soon as may be after the first Monday of August, give notice to the treasurer of every corporation, company or association or the secretary or general agent of every life insurance company which is liable to taxation under the provisions of sections twenty-six, thirty-seven, thirty-eight, forty-three, forty-four, fifty-two and fifty-three, of the amount thereof; that it will be due and payable to the treasurer and receiver general within thirty days after the date of such notice, but not before the twentieth day of October; and that within ten days after the date of such notice the corporation, company or association may apply for a correction of said tax, and be heard thereon by the board of appeal.

Sec. 60.

Corporations which neglect to pay taxes assessed and certified to the treasurer and receiver general by the tax commissioner shall pay interest at the rate of six per cent per annum from the time when such taxes were payable until they are paid, if such payment is made before the commencement of proceedings for the recovery thereof, and twelve per cent if made after the commencement thereof.

October 30. ✓

Interest begins to run on unpaid local taxes. (For text of law see page 198.)

NEW JERSEY.**October 1.** ✓

✓ Real and personal property is assessed as of this date (General Tax Act, Revision of 1918, Sec. 202) as follows:

All property, real and personal, within the jurisdiction of this state, not expressly exempted by this act or excluded from its operation, shall be subject to taxation annually under this act at its true value, and shall be valued by the assessors of the respective taxing districts. Property omitted by the assessors may be assessed as hereinafter provided. All property shall be assessed to the owners thereof with reference to the amount owned on the first day of October in each year, and the persons so assessed for personal property shall be personally liable for the taxes thereon.

October 1. ✓

✓ Last day to appeal to State Board of Taxes and Assessment from decision of County Board of Taxation as to assessments (General Tax Act, Revision of 1918, Sec. 704) as follows:

Any appellant who is dissatisfied with the judgment of the county board of taxation upon his appeal, may further appeal from said judgment to the State Board of Taxes and Assessment by filing a petition of appeal to said State Board of Taxes and Assessment, in manner and form to be by said board prescribed, on or before the first day of October, following the judgment of the county board, and the State board shall proceed similarly to hear and determine all such appeals, and render its judgment thereon as soon as may be. A copy of all such appeals shall be served by the appellant upon the county board of taxation, whose judgment is appealed from, or its secretary, and upon the clerk or attorney of the taxing district; the service of such copies shall be evidenced by affidavit upon the original petition of appeal filed

with the State Board of Taxes and Assessment, or service thereon acknowledged; a copy of the judgment of the State board shall be sent to the taxpayer, and where the judgment causes a change in the amount of taxes to be paid, to the collector of the taxing district.

✓ . **Four months after first Monday of June.** ✓

Last day to make application to State Board of Taxes and Assessment for review of franchise tax assessment; if no appeal is taken the right is deemed waived, and the assessment can thereafter only be reviewed by certiorari proceedings (Public Laws 1916, pp. 25, 26) as follows:

The officers of any corporation who shall consider the tax levied under the provisions of an act, a further supplement to which this act is an amendment, excessive or otherwise unjust, may make application to the State Board of Taxes and Assessment for a review of the assessment and a readjustment of the tax; provided, there be filed with the said board within four months from the date of assessment a petition of appeal, duly verified according to law, stating specifically the grounds upon which the appeal is taken and the reasons why the tax is considered excessive or unjust; the State Board of Taxes and Assessment shall thereupon proceed to investigate the contentions raised by the said petition of appeal; and for the purpose of such hearing the officers of said corporation may be summoned to appear before said board, either in person or by attorney, and questioned as to the statements set forth in the said petition of appeal; if, in the opinion of a majority of the board, it shall appear that the tax so levied as aforesaid is excessive or unjust, they shall thereupon require the officers of the corporation to file with the board a corrected return, and upon said corrected return the assessment shall be adjusted and the tax reduced or amended as in the opinion of the board shall seem proper.

If the petition of appeal shall not be filed within four months from the date of assessment as aforesaid, the right to appeal to the state board shall be considered and treated as having been waived and the amount of tax levied shall be payable and col-

lected as other taxes levied by said board; provided, however, that if after the expiration of said four months' period from the date of assessment as aforesaid a writ of certiorari shall be sued out on behalf of any corporation within the time required by law for a review of such tax or assessment, the attorney-general, on being satisfied as to the truth of the facts set forth in the application for such writ, is hereby authorized, without the taking of any testimony or proof other than that set forth in such application, to consent to a rule reducing such tax or assessment to the amount due on the actual issue of the capital stock of such corporation.

NEW YORK.**October 1.**

Last day for trust companies, savings banks and investment companies to pay franchise tax without penalty. After this date five per cent is added to the tax plus one per cent monthly (Tax Law, Sec. 197).

October 1.

In towns, last day to apply for writ of certiorari to review general property assessment. (For text of law see page 192.)

October 1.

In New York City assessment rolls for both real and personal property taxes are opened for public inspection (Charter, Sec. 892) as follows:

There shall be kept in the several offices established by the department of taxes and assessments books to be called "the annual record of the assessed valuations of real and personal estate of the borough of ———," in which shall be entered in detail the assessed valuation of such property within the limits of the several boroughs of the city of New York as established by this act. In such books the assessed value of real estate shall be set down in two columns; in the first column shall be given, opposite each separately assessed parcel of real estate, the sum for which such parcel under ordinary circumstances, would sell if wholly unimproved; and in the second column shall be set down the sum for which the said parcel under ordinary circumstances, would sell, with the improvements, if any, thereon. The annual record of the assessed valuation of real property shall be open for public inspection, examination and correction from the first day in October not a Sunday or a legal holiday until the sixteenth day of November in each year, and the annual record of the assessed valuation of personal estate shall be open for public inspection, examination

and correction from the first day in October not a Sunday or a legal holiday until the first day of December in each year, but on the said respective days the same shall be closed to enable the board of taxes and assessments to prepare assessment-rolls of the several boroughs for delivery to the board of aldermen. The said board, previous to and during the time the said books are open as aforesaid for inspection, shall advertise the fact in the City Record and in such other newspaper or newspapers published in the several boroughs created by this act as may be authorized by the Board of City Record. The taxable status of all persons and property assessable for taxation in the city of New York shall be fixed for each year on the day of October in the preceding year provided by law for the opening of the books of the annual record of the assessed valuation of real and personal estate of that year.

October 1.

Last day for banks, savings banks and trust companies to file proof of publication of list of unclaimed deposits with Superintendent of Banks. (For text of law see pages 187, 191.)

October 1.

Ten per cent penalty added to unpaid general property taxes in Westchester county (Laws 1916, Chap. 105, Secs. 15, 18).

October 1 to November 15.

In New York City, Board of Taxes and Assessments receive applications for revision and cancellation of real estate assessments (Charter, Sec. 898) as follows:

The board of taxes and assessments from the whole number of persons appointed as deputy tax commissioners shall, for each of the boroughs wherein one of the offices of the department of taxes and assessments is established and maintained, designate one or more deputy tax commissioners, who shall, between the first day of October in each year and the sixteenth day of No-

member following as to real estate, and the first day of December following as to personal estate, receive applications for the revision and cancellation of any assessments entered in the books of annual record of the assessed valuation of real and personal estate in that borough, take testimony on such applications and reduce the same to writing, and when so reduced to writing transmit such applications and testimony, with his recommendation, to the board of taxes and assessments at its main office in the borough of Manhattan, or to any office of the department of taxes and assessments in any borough as the board of taxes and assessments may prescribe. Such deputy tax commissioners as may be designated for the purposes and as prescribed in this section are hereby authorized between the first day of October and the first day of December to administer oaths for the purpose of taking testimony upon all applications for the revision or cancellation of assessments, and they are hereby required and directed to transmit the evidence so taken and reduced to writing within ten days after the evidence upon any application is taken, with their recommendation, as hereinbefore described. The board of taxes and assessments shall hear at its main office all applications of corporations for revision and cancellation of assessments; and as to all other applications, the said board may prescribe the time and place of hearing thereof in the several boroughs and give such public notice thereof in the City Record and in at least one newspaper in each borough as it may designate, and the board may make such rules and regulations as may be appropriate and expedient to the end that the taxpayers of each borough, other than corporations, may have a hearing in the borough in which they reside or in which their property assessed is situated. All testimony taken by the board of taxes and assessments by any commissioner or by deputy tax commissioners, as herein prescribed, shall be reduced to writing and shall constitute part of the record of the proceedings upon any assessment. The decision of the board of taxes and assessments, upon any application for the revision, reduction or cancellation of any assessments and upon the evidence taken thereunder, shall, where the evidence is taken by the board of taxes and assessments, be rendered within thirty days after the hearing upon such application is closed, and in no case later than the first day of February. And where the evidence upon any application is taken by any commissioner or a deputy

tax commissioner, the determination of the board of taxes and assessments shall be rendered within thirty days after the application and the testimony thereunder shall have been filed with the board of taxes and assessments at the main office of the department in the borough of Manhattan, and in no case later than the first day of February.

October 1 to November 30.

In New York City, Board of Taxes and Assessments receive applications for revision and cancellation of personal property assessments. (For text of law see preceding paragraph.)

October 31.

Co-operative corporations file annual report with Secretary of State (Business Corporations Law, Sec. 36) as follows:

Every co-operative corporation shall, annually, on or before the thirty-first day of October, make a report to the secretary of state, containing the name of the corporation, its principal place of business, and generally a statement as to its business, showing the total amount of business transacted, the number of stockholders, the amount of capital stock subscribed for and paid in, the total expenses of operation, the amount of indebtedness or liabilities, and its profits and losses.

PENNSYLVANIA.

October 31.

Last day to make fourth quarterly payment of local taxes in second-class cities without penalty (Act July 20, 1917; P. L. 1917, p. 1173).

N O V E M B E R .**FEDERAL.****November 10.**

Monthly returns required from dealers in leaf tobacco and manufacturers of playing cards. For details see entries under January.

November 20.

Various monthly returns must be made by corporations of different classes. For details see entries in January under "20th day of each month."

November 30.

Various monthly returns must be made by corporations of different classes. For details see entries in January under "Last day of each month."

DELAWARE.**November 30.**

Last day to get discount of three per cent on local taxes paid in New Castle and Sussex counties (Code 1915, Pars. 1174, 1220).

MAINE.**November 1.**

On or before this date savings banks publish list of unclaimed deposits and send copy thereof to Bank Commissioner (Rev. Stats. 1916, Chap. 52, Sec. 46) as follows:

The treasurer of every savings bank and institution for savings shall on or before the first day of November, annually, cause to be published in a newspaper in the place where the bank or institution is located, if any, otherwise in a newspaper published in the nearest place thereto, a statement containing the name, the amount standing to his credit, the last known place of residence or post office address and the fact of death, if known, of every depositor in said bank who shall not have made a deposit therein or withdrawn therefrom any part of his deposit or any of the dividends thereon, for a period of more than twenty years next preceding; provided, however, that this section shall not apply to the deposits of persons known to the treasurer to be living, to a deposit the deposit book of which has during such period been brought into the bank to be verified or to have the dividends added, or to a deposit which, with the accumulations thereon, shall be less than ten dollars. Said treasurer shall also transmit a copy of such statement to the bank commissioner to be placed on file in his office for public inspection. Any treasurer neglecting to comply with the provisions of this section shall be liable to a penalty of fifty dollars.

First Monday of November.

Semi-annual tax on loan and building associations due on this date and payable within ten days. (For text of law see page 91.)

First Monday of November.

Within ten days after this date foreign banks pay to the treasurer of state a tax of three-fourths of one per cent upon the business done in the state during the six months ending on the last Saturday of September preceding (Rev. Stats. 1916, Chap. 9, Sec. 67).

November 15.

One-half of annual tax on savings banks due on this date and payable within ten days. (For text of law see page 90.)

November 15.

One-half of tax on domestic trust and banking companies due on this date and payable within ten days. (For text of law see page 88.)

MASSACHUSETTS.**November 1 to 10.**

Savings banks make return of deposits for preceding six months. (For text of law see page 122.)

November 1 to 30.

Credit unions must hold their annual meetings during this period (Laws 1915, Chap. 268, Secs. 12, 13) as follows:

Sec. 12.

The fiscal year of every credit union shall end at the close of business on the last business day of October.

Sec. 13.

The annual meeting of the corporation shall be held at such time and place as the by-laws prescribe, but must be held within thirty days after the close of the fiscal year. Special meetings may be called by a majority of the directors or of the supervisory committee, and shall be called by the clerk upon written application of ten or more members entitled to vote. Notice of all meetings of the corporation and of all meetings of the board of directors and of committees shall be given in the manner prescribed by the by-laws. No member shall be entitled to vote by proxy or to have more than one vote, and, after a credit union has been incorporated one year, no member thereof shall be entitled to vote until he has been a member for more than three months.

20 days after last business day of October.

Last day for savings banks to make annual report of condition to Bank Commissioner (Laws 1908, Chap. 590, Secs. 37, 38) as follows:

Sec. 37.

The treasurer of such corporation shall, annually within twenty days after the last business day of October, make a report to the commissioner in such form as he may prescribe, showing accurately the condition of such corporation at close of business on that day, specifying the following particulars: name of corporation and names of corporators and officers; place where located; amount of deposits; amount of each item of other liabilities; public funds, including all United States, state, county, city, town and district bonds; railroad bonds, street railway bonds, telephone bonds, and stock in banks and trust companies, stating each particular kind, and the par value, estimated market value and amount invested in each; loans to counties, cities, towns or districts; loans on mortgage of real estate; loans on personal security, stating amount of each class separately; estimated value of real estate, and amount invested therein; cash on deposit in banks and trust companies, with the names of such banks and trust companies and the amount deposited in each; cash on hand; the whole amount of interest or profits received, and the rate and amount of each semi-annual and extra dividend for the previous year; the times for the dividends fixed by the by-laws; the rates of interest received on loans; the total amount of loans bearing each specified rate of interest; the number of outstanding loans which are of an amount not exceeding three thousand dollars each, and the aggregate amount of the same; the number of open accounts; the number and amount of deposits received; the number and amount of withdrawals; the number of accounts opened and the number of accounts closed, severally, during the previous year; and the annual expenses of the corporation, together with such other information as the commissioner may require. The president, treasurer and auditing committee shall certify and make oath that such reports are correct according to their best knowledge and belief.

Sec. 38.

Such report shall, in the year nineteen hundred and nine, and in each fifth year thereafter, also state the number and amount of deposits of fifty dollars and less, of those exceeding fifty dollars and not more than one hundred dollars, of those exceeding one hundred dollars and not more than two hundred dollars, of those

exceeding two hundred dollars and not more than five hundred dollars, of those exceeding five hundred dollars and less than one thousand dollars, of those of one thousand dollars or more; and of those to the credit of women, both adults and minors, guardians, religious and charitable corporations, labor and credit unions, and in trust, respectively, received during the twelve months last preceding.

20 days after last business day of October.

Last day for credit unions to make annual return to Bank Commissioner (Laws 1915, Chap. 268, Sec. 23) as follows:

- Within twenty days after the last business day of October in each year, every credit union shall make to the bank commissioner a report in such form as he may prescribe, signed by the president, treasurer and a majority of the supervisory committee, who shall certify and make oath that the report is correct according to their best knowledge and belief. Any credit union which neglects to make the said report within the time herein prescribed shall forfeit to the commonwealth five dollars for each day during which such neglect continues.

November 20.

Franchise tax payable by insurance companies (Laws 1909, Chap. 490, Part III, Sec. 35) as follows:

Such taxes shall be paid to the treasurer and receiver general on the twentieth day of November next following the date fixed for making the returns. . . . All such taxes, whether assessed before or after the twentieth day of November, shall bear interest at the rate of twelve per cent per annum from that date until they are paid.

Companies liable to this tax may also be enjoined from prosecuting their business until the tax, costs and interest are paid (Same, Sec. 36).

November 25.

Savings banks pay semi-annual tax on deposits.
(For text of law see page 124.)

30 days after last business day of October.

Last day for steamship ticket agencies which transmit money to make annual return to Bank Commissioner (Laws 1905, Chap. 428, Secs. 1, 5) as follows:

Sec. 1.

All persons, partnerships, associations or corporations now or hereafter engaged in the selling of steamship or railroad tickets for transportation to or from foreign countries, or in the supplying of laborers, that, in conjunction with said business, carry on the business of receiving deposits of money for safe keeping, or for the purpose of transmitting the same, or equivalents thereof, to foreign countries, or for any other purpose, . . .

Sec. 5.

Any person, partnership, association or corporation transacting the business described in section one shall be subject to the supervision of the bank commissioner, and shall annually, within thirty days after the last business day in October, and at such other times as he may specify, make to him in such form as he may prescribe a return signed and sworn to by such officers or persons as he may designate, showing accurately the condition thereof at the close of business on said day.

Exemptions (Laws 1910, chap. 338):

The provisions of chapter four hundred and twenty-eight of the acts of the year nineteen hundred and five, and of all acts in amendment thereof and in addition thereto, relative to the receiving of deposits of money for the purpose of transmitting the same to foreign countries shall apply to all persons, partnerships, associations or corporations that carry on the business, or make a practice, of receiving deposits of money for the purpose

of transmitting the same or equivalents thereof to foreign countries or states; provided, however, that this act shall not apply to banks or trust companies, nor to express companies having contracts with railroad or steamship companies for the operation of an express service upon the lines of such companies, or to persons, partnerships, corporations or associations engaged in the banking or brokerage business.

30 days after last business day of October.

Last day for co-operative banks to make annual return to Bank Commissioner (Laws 1912, Chap. 623, Sec. 38) as follows:

Every co-operative bank shall annually, within thirty days after the last business day of October, make to the bank commissioner, in such form as may be prescribed by him, a return, signed and sworn to by the treasurer of the corporation, showing accurately the condition thereof at close of business on that day. The president and three or more directors shall certify and make oath that the report is correct, according to their best knowledge and belief. If a report is defective or appears to be erroneous, the commissioner shall notify the bank to amend the same within fifteen days. A co-operative bank which neglects to make the return required by the provisions of this section on or before the time named therein, or to amend such report within fifteen days, if notified by the commissioner so to do, shall forfeit five dollars for each day during which such neglect continues.

30 days after last business day of October.

Last day for foreign banking corporations to make annual return to Bank Commissioner (Laws 1906, Chap. 347, Sec. 1) as follows:

No foreign banking association or corporation shall transact business in this commonwealth until such association or corporation has received a certificate from the board of bank incorporation, composed of the bank commissioner, the treasurer and receiver general and the commissioner of corporations, giving it

authority to transact business in this commonwealth, which certificate the said board is hereby authorized to grant, conditioned upon the performance of such requirements as to auditing as said board may prescribe. Any foreign banking association or corporation transacting business in this commonwealth shall become subject to the supervision of the bank commissioner, and shall annually, within thirty days after the last business day of October, and at other times during each year on any past day to be specified by the commissioner, make to him in such form as may be prescribed by him a return, signed and sworn to by the treasurer, or the corresponding officer, of the corporation, showing accurately the condition thereof at the close of business on said day. The president and a majority of the directors shall certify and make oath that the report is correct according to their best knowledge and belief.

NEW YORK.**November 1.**

Second half of real estate tax payable in New York City, and may be paid without penalty until November 30. (For text of law see page 129.)

November 1.

In towns assessment roll for general property tax remains open for public inspection until this date. (For text of law see page 188.)

November 1 to December 15.

Franchise tax reports due from foreign and domestic corporations (Tax Law, Secs. 182, 192), except those specially exempted (see Sec. 183 below) and those which are subject to income tax (see entry under July 1, page 164).

Sec. 182.

For the privilege of exercising its corporate franchises in this state every domestic corporation, joint stock company or association, and for the privilege of doing business in this state, every foreign corporation, joint stock company or association, shall pay to the state treasurer annually, in advance, an annual tax to be computed upon the basis of the amount of its capital stock, employed during the preceding year within this state, and upon each dollar of such amount. The measure of the amount of capital stock employed in this state shall be such a portion of the issued capital stock as the gross assets employed in any business within this state bear to the gross assets wherever employed in business. For purposes of taxation, the capital of a corporation invested in the stock of another corporation shall be deemed to be assets located where the physical property represented by such stock is located. If the dividends upon the capital stock amount to six, or more than six per centum upon the par value of the capital stock, during any year ending with the thirty-first day of October,

the tax shall be at the rate of one-quarter of a mill for each one per centum of dividends made or declared upon the par value of the capital stock during said year. If such dividend or dividends amount to less than six per centum on the par value of the capital stock, and

(1) The assets do not exceed the liabilities, exclusive of capital stock, or

(2) The average price at which such stock sold during said year did not equal or exceed its par value, or

(3) If no dividend was declared,

Then each dollar of the amount of capital stock employed in this state, determined as hereinbefore provided, shall be taxed at the rate of three-fourths of one mill. If such dividend or dividends amount to less than six per centum on the par value of the capital stock, and

(1) The assets exceed the liabilities, exclusive of capital stock, by an amount equal to or greater than the par value of the capital stock, or

(2) The average price at which such stock sold during said year is equal to or greater than the par value,

Then the amount of capital stock, determined as hereinbefore provided to be employed in this state, shall be taxed at the rate of one and one-half mills on each dollar of the valuation of the capital stock employed in this state, but such valuation shall not be less than

(1) The par value of such stock,

(2) The difference between the assets and liabilities, exclusive of capital stock,

(3) The average price at which such stock sold during said year.

If such corporation, joint-stock company or association shall have more than one kind of capital stock, and upon one of such kinds of stock a dividend or dividends amounting to six or more than six per centum upon the par value thereon, has been made or declared, and upon the other no dividend has been made or declared, or the dividend or dividends made or declared thereon amount to less than six per centum upon the par value thereof, then the tax shall be at the rate of one-quarter of a mill for each one per centum of dividends made or declared upon the capital stock upon the par value of which the dividend or dividends

made or declared amount to six or more than six per centum, and in addition thereto a tax shall be charged upon the capital stock

(1) Upon which no dividend was made or declared, or

(2) Upon which the dividend or dividends made or declared did not amount to six per centum upon the par value,

At the rate as hereinbefore provided for the taxation of capital stock upon which no dividend was made or declared, or upon which the dividend or dividends made or declared did not amount to six per centum on the par value.

All corporations not taxable under the preceding paragraphs of this section shall be taxed in an amount not less than would be produced by an assessment of one and one-half mills on each one dollar of the actual value of its capital stock, determined to be employed in this state as hereinbefore provided, or one and one-half mills upon each dollar of such capital stock at the average price at which said stock sold during the said year.

Sec. 183.

Banks, savings banks, institutions for savings, title guaranty, insurance or surety corporations, every trust company incorporated, organized or formed, under, by or pursuant to a law of this state, and any company authorized to do a trust company business, solely or in connection with any other business, under a general or special law of this state, laundering corporations, manufacturing corporations to the extent only of the capital actually employed in this state in manufacturing, and in the sale of the product of such manufacturing, mining corporations wholly engaged in mining ores within this state, agricultural and horticultural societies or associations, and corporations, joint-stock companies or associations owning or operating elevated railroads or surface railroads not operated by steam, or formed for supplying water or gas for electric or steam heating, lighting or power purposes, and liable to a tax under sections one hundred and eighty-five and one hundred and eighty-six of this chapter, shall be exempt from the payment of the taxes prescribed by section one hundred and eighty-two of this chapter. But such a laundering, manufacturing or mining corporation shall not be exempted from the payment of such tax, unless at least forty per centum of the capital stock of such corporation is invested in property in this

state and used by it in its laundering, manufacturing or mining business in this state.

Sec. 192.

Corporations liable to pay a tax under this article shall report as follows:

1. Corporations paying franchise tax. Every corporation, association or joint stock company liable to pay a tax under section one hundred and eighty-two of this chapter shall, between the first day of November and the fifteenth day of December in each year, make a written report to the tax commission of its condition at the close of its business on October thirty-first preceding, stating the amount of its authorized capital stock, the amount of stock paid in, the date and rate per centum of each dividend declared by it during the year ending with such day, the entire amount of the capital of such corporation, and the capital employed by it in this state during such year. Upon written application the state tax commission may, in its discretion, extend the time in which to make report, but not beyond the fifteenth day of February succeeding.

November 15.

Directors of trust companies file semi-annual report with Superintendent of Banks. (See entry under May 15.)

November 15.

In New York City, last day to apply to Board of Taxes and Assessments for review of real estate assessments. (For text of law see page 205.)

November 30.

In New York City, last day to apply to Board of Taxes and Assessments for review of personal property assessments. (For text of law see page 205.)

November 30.

In New York City, last day to pay second half of real estate tax without penalty. (For text of law see page 129.)

PENNSYLVANIA.**November 1.**

Corporations which pay their employees in store orders, etc., not redeemed in cash by the issuing corporation within thirty days after such orders are issued, make to the Auditor General a report of the number and amount of such store orders, etc. (Act June 24, 1901, P. L. 596; see Summary of Pennsylvania Taxation at page 287 hereof).

November 1.

Fourth quarterly payment of local taxes for current year in second-class cities becomes delinquent; 2% penalty added thereto plus $\frac{1}{2}\%$ monthly until paid (Act July 20, 1917; P. L. 1917, p. 1173).

First Monday of November.

Corporations not subject to capital stock tax (except banks, savings banks and foreign insurance companies) make report of earnings to Auditor General (Act June 1, 1889, Sec. 27, P. L. 435) as follows:

Every incorporated company . . . whether . . . incorporated . . . under the laws of this or any other State or Territory, and doing business within this Commonwealth, and liable to taxation therein, which is not subject to the taxes imposed by the twenty-first or twenty-fourth sections of this act, except incorporated banks and savings institutions having capital stock, and foreign insurance companies, shall annually, upon the first Monday of November of each year, make report to the Auditor General under oath of some officer of such company . . . setting forth the entire amount of net earnings or income received by said company . . . from all sources during the preceding year; and upon

such net earnings or income the said company . . . shall pay into the State treasury for the use of the Commonwealth, within sixty days thereafter, three per centum upon such annual net earnings or income, in addition to any taxes upon personal property to which it may be subject under the first section of this act; and in case any company . . . as aforesaid, shall neglect or refuse to make the report required by this section to the Auditor General, on or before the thirty-first day of December following, such company . . . shall be liable to a penalty of ten per centum for such neglect, which shall be added to the amount of tax found due on the settlement of their account: Provided, That this section shall not apply to corporations . . . organized for manufacturing purpose.

DECEMBER.**FEDERAL.****December 15.**

Fourth quarter of income tax due and payable. (For text of law see page 77.)

December 20.

Various monthly returns must be made by corporations of different classes. For details see entries in January under “ 20th day of each month.”

December 31.

Various monthly returns must be made by corporations of different classes. For details see entries in January under “ Last day of each month.”

DELAWARE.**December 1 to 31.**

The Farmers' Bank of the State of Deyaware makes a written report to the Governor (Code 1915, Par. 2112).

MAINE.**December 1.**

Licenses issued to foreign investment companies to do business in Maine expire unless renewed (Rev. Stats. 1916, Chap. 52, Sec. 123).

December 1.

Charters of corporations which have failed to pay franchise tax for preceding year are suspended. (For text of law see page 174.)

December 1 to 10.

Persons, corporations, etc., dealing with insurance companies which are not authorized to do business in Maine make return to Insurance Commissioner of such dealings (Rev. Stats. 1916, Chap. 9, Sec. 57) as follows:

All persons, companies, associations or corporations, residing or doing business in this state, that enter into any agreements with an insurance company, association, individual, firm, underwriter or Lloyd, not authorized to do business in this state, whereby said person, company, association or corporation shall enter into contracts of insurance against loss or damage by fire or lightning covering risks or property within this state, with said unauthorized association, individual, firm, underwriter or Lloyd, for which a premium is charged or collected, shall, annually on the first day of December or within ten days thereafter, return to the insurance commissioner of this state a statement under oath for the twelve months preceding on policies or contracts of insurance or indemnity taken by the said person, company, association or corporation. . . . The insurance commissioner shall give notice to each person, company, association or corporation filing such return of the amount of his tax, computed at two and one-half per

cent of the gross premium or deposit or payment made to secure such insurance or indemnity and said tax shall be payable to the treasurer of state on or before the thirty-first day of December following; provided, however, that this section shall not be construed as extending to fraternal beneficiary associations or members thereof; . . . nor to marine insurance; nor shall any provision of this section be construed as extending to insurance in unauthorized companies, written by special insurance brokers, under section 125 of chapter 53.

Six to seven weeks before the first Monday of February.

Notices are posted and published of lands which are to be sold for unpaid taxes on the first Monday of February following (Rev. Stats. 1916, Chap. 11, Sec. 72).

December 31.

Tax due on business done with unauthorized foreign insurance companies. (See law above.)

December 31.

The report required from all insurance companies on January 31 (see page 16) is made as if this date.

MASSACHUSETTS.**December 1 to 31.**

During this period Insurance Commissioner sends blanks to all insurance companies for their annual reports (Laws 1907, Chap. 576, Sec. 16).

December 31.

Policies in force on this day determine amount of franchise tax to be paid by domestic and foreign insurance companies. (For text of law see page 123.)

NEW JERSEY.**December 1. ✓**

Unpaid taxes on real estate become a lien (Tax Sale Revision, Public Laws 1918, page 883, Sec. 6) as follows:

All unpaid taxes on lands, with interest, penalties and costs of collection, shall be a lien on the land on which they are assessed on and after the first day of December of the year in which they fall due.

December 1. ✓

Last day to pay second half of taxes for current year without penalty. After this date interest is charged thereon at the rate of from 7% to 9% per annum (General Tax Act, Revision of 1918, Secs. 602, 603).

December 2.

Banking corporations wishing the tax on their shares to be assessed against them instead of against their shareholders must file copy of resolution to that effect with County Board of Taxation and with Commissioner of Banking and Insurance not later than this date (Laws 1918, Chap. 265, Sec. 8) as follows:

If any bank, banking association or trust company shall, by resolution of its board of directors filed as hereinafter provided, request the county board of taxation to assess to and in the name of the bank, banking association or trust company the entire taxable value of all the shares of stock therein, instead of assessing the same to and in the name of the individual shareholders owning the same, and if such bank, banking association or trust company shall promise and agree that it will pay the taxes levied against such shares at the time when due and payable, then the total amount of capital, surplus and undivided profits shall be as-

sessed to and in the name of the bank, banking association or trust company, and no list of shareholders shall be required; all other provisions of this section shall apply, and the tax shall be a lien against the property and assets of the bank or trust company and collectible as other taxes are collected; provided, that nothing herein contained shall be construed as a taxation of property as distinguished from capital stock. A certified copy of any such resolution shall be filed with the county board of taxation of the county at least thirty days before the twentieth day of May, in the year one thousand nine hundred and eighteen, and thereafter at least thirty days before the first day of January in any year and an additional copy shall be filed at the same time with the Commissioner of Banking and Insurance; such resolution shall be binding and in force until revoked; notice of revocation to be valid must be similarly filed at least thirty days before assessment day in any year.

December 31.

“ On or about ” this date managers of savings banks make an examination of their bank (Laws 1906, Chap. 195, Sec. 42) as follows:

The managers of every savings bank shall, by a committee of not less than three of such managers, on or about the thirty-first day of December in each year, thoroughly examine the books, vouchers and assets of such savings bank and its affairs generally, and the statement or schedule of assets, showing the true condition of such bank at the close of business of said year, reported to the commissioner of banking and insurance as hereinafter provided, shall be based on such examination, and shall be verified by the oath or affirmation of a majority of the managers making such examination; but nothing herein contained shall be so construed as to prohibit the managers of any savings bank from requiring such examination at such other times as they may prescribe.

December 31.

Report as of this date is made annually by domestic life insurance companies to local taxing officers for

tax purposes (General Tax Act, Revision of 1918, Sec. 306) as follows:

(1) Associations or corporations of this State whose business is that of the assurance on lives shall be assessed and taxed upon the full amount or value of their property (exclusive of real estate situated in this State, and exclusive of securities to the value of five hundred thousand dollars), deducting from such amount or value the amount of their debts and liabilities; to ascertain the said amount a statement of the amount or value of the property and of the debts and liabilities of such association or corporation as they existed on the thirty-first day of December next preceding such statement shall be annually made to the assessor or taxing officer or officers in the township, city or taxing district where the principal office of the association or corporation is located, upon the oath of the president, secretary or treasurer, or other officer of such association or corporation; in stating the liabilities on policies the basis of such statement shall be the value of such policies at the date above mentioned in this section and not the gross amount insured thereby, and such value shall be according to the computation of the same by the Commissioner of Banking and Insurance of this State by such standard of valuation as may be adopted and used by him at the time such computation shall be made according to law; the real estate of such corporation shall be separately assessed and taxed where the same is located, and no tax shall be assessed against such association or corporation on personal property in any other taxing district; in ascertaining the tax imposed by virtue of this act no deduction shall be made for non-taxable or exempt securities, but deductions shall be made of the real estate located in this State according to the amount of the same contained in the statement of the amount of value of property above mentioned, and such real estate shall be assessed and taxed in the taxing district where the same is located; in case any such association or corporation shall claim any deduction for non-taxable property or for property exempt from taxation, then no deduction shall be made or allowed for debts and liabilities; the capital stock in any such company shall not be regarded for the purposes of this act as a liability, and shall not be deducted from the amount of property and valuable assets in making the statement hereby required, and the person

or persons or corporations holding the capital stock of such association or corporation shall not be assessed or taxed therefor; provided, however, that this section shall not apply to any funds collected by any lodge, council, society, or fraternal beneficial association as defined in the act of March eleventh anno domini one thousand eight hundred and ninety-three, from its members for the purpose of paying sick, funeral or death benefits. . (P. L. 1918, p. 856.)

(2) All acts and parts of acts inconsistent with the provisions of this section are hereby repealed; provided, however, that this section shall not in any way or manner be construed so as to repeal or modify chapter 76 of the Laws of 1892, or chapter 7 of the Laws of 1891.

NEW YORK.**December 1.**

Interest at seven per cent from November 1 added to second half of real estate tax in New York City. (For text of law see page 129.)

December 1.

In Nassau county personal property tax and first half of real estate tax are due and payable, and may be paid without penalty until January 10. If the entire real estate tax as well as the personal property tax is paid, a discount of $\frac{1}{4}\%$ per month until June 1 is allowed (Laws 1917, Chap. 297, Secs. 31, 33).

December 15.

Last day for corporations subject to franchise tax under Tax Law, Sec. 182, to file report unless extension of time has been obtained. (For text, and classes of corporations from which report is not required, see page 217.)

December 15.

Warrants for bank tax issued and notice of tax mailed to banks (Tax Law, Secs. 24d, 24e) as follows:

Sec. 24d.

The bank tax herein imposed shall be levied in the following manner: The board of supervisors of the several counties shall, on or before the fifteenth day of December in each year, ascertain from an inspection of the assessment-rolls in their respective counties, the number of shares of stock of banks and banking associations in each town, city, village, school and other special districts,

in their several counties, respectively, in which such shares of stock are taxable, the names of the banks issuing the same, respectively, and the assessed value of such shares, as ascertained in the manner provided in this article and entered upon the said assessment-rolls, and shall forthwith mail to the president or cashier of each of said banks or banking associations a statement setting forth the amount of its capital stock, surplus and undivided profits, the number of outstanding shares thereof, the value of each share of stock taxable in said county, as ascertained in the manner herein provided, and the aggregate amount of tax to be collected and paid by such bank and banking association, under the provisions of this article, provided that in the county of Erie the shares of stock of the banks located in the city of Buffalo shall not be included, nor shall any such notice be given by the board of supervisors of said county to the said officers of the banks located in said city. A certified copy of each of said statements shall be sent to the county treasurer. Provided, that, in the city of New York the statement of the bank assessment and tax herein provided for shall be made by the board of tax commissioners of said city, on or before the fifteenth day of December in each year, and by them forthwith mailed to the respective banks and banking associations located in said city, and a certified copy thereof sent to the receiver of taxes of said city. And further provided that in the city of Buffalo a statement of the bank assessment and tax herein provided for shall be made by the assessors of said city on or before the fifteenth day of December in each year, and by them forthwith mailed to the respective banks and banking associations located in said city, and a certified copy thereof sent to the city treasurer of said city.

Sec. 24e.

The board of supervisors shall issue their warrant or order to the county treasurer on or before the fifteenth day of December in each year, setting forth the number of shares of bank stock taxable in each town, city, village, school and other tax district in said county, in which said shares of stock shall be taxable, the proportion of the tax imposed by this chapter to which each of said tax districts is entitled, under the provisions hereof, and commanding him to collect the same, and to pay to the proper officer in each of such districts the proportion of such tax to which it is

entitled under the provisions of this chapter, provided that in the county of Erie the shares of stock of banks taxable in the city of Buffalo shall be omitted from such warrant or order. The said county treasurer shall have the same powers to enforce the collection and payment of said tax as are possessed by the officers now charged by law with the collection of taxes, and the said county treasurer shall be entitled to a commission of one per centum for collecting and paying out said moneys, which commission shall be deducted from the gross amount of said tax before the same is distributed. In issuing their warrants to the collectors of taxes, the board of supervisors shall omit therefrom assessments of and taxes upon the shares of stock of banks and banking associations.

December 31.

Bank tax payable by banks (Tax Law, Sec. 24f) as follows:

It shall be the duty of every bank or banking association to collect the tax due upon its shares of stock from the several owners of such shares, and to pay the same to the treasurer of the county wherein said bank or banking association is located, except that in the city of Buffalo such tax shall be paid to the city treasurer of said city, and in the city of New York to the receiver of taxes thereof on or before the thirty-first day of December in said year; and any bank or banking association failing to pay the said tax as herein provided shall be liable by way of penalty for the gross amount of the taxes due from all the owners of the shares of stock, and for an additional amount of one hundred dollars for every day of delay in the payment of said tax. Every bank or banking association so paying the taxes due upon the shares of its stock shall have a lien on the shares of stock, and on all property of the several share owners in its hands, or which may at any time come into its hands, for reimbursement of the taxes so paid on account of the several shareholders, with legal interest; and such lien may be enforced in any appropriate manner. The tax shall be paid by the respective banks in the city of New York to the said receiver of taxes on or before the thirty-first day of December in said year, and said tax shall be collected by the said receiver of taxes and shall be by him paid into the treasury of said city to the credit of the general fund thereof. The tax shall

be paid by the respective banks in the city of Buffalo to the city treasurer of said city on or before the thirty-first day of December in said year, and said tax shall be collected by the said treasurer and credited to the general fund of said city.

December 31.

Certificates of authority of all underwriters' agents and all insurance brokers expire unless written application for renewal is made on or before this date to Superintendent of Insurance. (For text of law see pages 38, 41.)

PENNSYLVANIA.

December 31.

In the city of Philadelphia, last day to pay taxes of current year without penalty (Act May 13, 1856, Sec. 8, P. L. 569; Act July 21, 1913, Sec. 1, P. L. 863).

December 31.

Last day for corporations not subject to capital stock tax to file report of income without penalty. After this date 10% is added to their tax. (For text of law see page 221.)

PART II

CORPORATE MATTERS TO BE ATTENDED TO ANNUALLY, BUT NOT ON SPECIFIED DATES.

DELAWARE.

Banking Corporations.

Must make semi-annual reports to Insurance Commissioner at such times as he specifies, and publish summaries thereof (Code 1915, Par. 611) as follows:

State banks, savings banks, trust companies and safe deposit corporations, and other companies engaged in like business, or in any manner receiving deposits of money, doing business in this State, shall make to the Insurance Commissioner not less than two reports during each year, according to the form which may be prescribed by him, verified by the oaths or affirmations of the president or vice-president, and cashier, or treasurer or secretary of such corporations, and attested by the signature of at least three directors; every such report shall exhibit under appropriate headings the resources and liabilities of the institution at the close of business on any day past specified by the Commissioner, and shall be transmitted to the Commissioner within twenty days after the receipt of a request or requisition therefor from him; and an abstract or summary of every report in such form as shall be prescribed by the Commissioner, shall be published by the corporation once in a newspaper published in the place where such corporation is established or if there be no newspaper in the place, then in one published nearest such place in the same county, and such proof of publication shall be furnished as may be required by the Commissioner; such publication shall be made within two weeks after filing of such report, the expense thereof to be borne by the corporation; the Commissioner shall also have power to

call for special reports from any such institution under his supervision whenever in his judgment the same are necessary to a full and complete knowledge of its condition; every company or institution which fails to make and transmit any report required under this section shall be subject to a penalty of one hundred dollars for each day after the period herein specified that it delays to make and transmit its report, to be sued for and collected by the Commissioner in the name of and for the benefit of the State.

Corporations using the word "Trust" in title.

Must make semi-annual reports to Insurance Commissioner at such times as he specifies (Code 1915, Par. 1997) as follows:

Every corporation now existing or hereafter created under the laws of Delaware, using the word "Trust" as part of its name, shall be under the supervision of the Insurance Commissioner of the State and shall make not less than two reports during each year to the said Insurance Commissioner, according to the form which shall be prescribed by him, verified by the oaths or affirmations of the president or vice-president, and the treasurer or secretary of such corporation, and attested by the signatures of at least three directors.

MAINE.**Foreign Corporations.**

Within thirty days after the date fixed for the annual stockholders' meeting foreign corporations other than banking corporations of all kinds, surety, safe deposit, insurance and public service corporations, file certificate of condition with Secretary of State (Rev. Stats. 1916, Chap. 51, Secs. 111 to 113) as follows:

Sec. 111.

Every such foreign corporation shall annually, on or before the first day of March, pay to the treasurer of state for the use of the state a license fee of ten dollars. It shall also annually within thirty days after the date fixed for its annual meeting, or within thirty days after the final adjournment of said meeting, but not more than three months after the date fixed for said meeting, prepare and file in the office of the secretary of state, a certificate signed and sworn to by its president, treasurer or clerk, showing the change or changes, if any, in the particulars included in the certificate required by section one hundred and eight made since the filing of said certificate or of the last annual report. If no changes have occurred, a certificate to that effect shall be sufficient.

Sec. 112.

Any foreign corporation which omits to file the certificate required by section one hundred and eleven shall forfeit to the state not less than five, nor more than ten dollars, for each day for fifteen days after the expiration of the period therein named, and not less than ten, nor more than two hundred dollars, for each day thereafter, during which such omission continues.

Sec. 113.

The secretary of state upon the failure of any such corporation to file the certificate required by section one hundred and eleven

shall forthwith notify such corporation, and the notice shall contain a copy of this and the two preceding sections, but failure on the part of the secretary of state to so notify shall not relieve any corporation of any of the duties or liabilities imposed thereon.

Note: That part of section 108 under which the certificate above referred to is required, which relates thereto, is as follows:

Every such foreign corporation before transacting business in this state, shall file with the secretary of state a copy of its charter, articles or certificate of incorporation, certified under the seal of the state or country in which such corporation is incorporated by the secretary of state thereof or by the officer having charge of the original record therein, a true copy of its by-laws and a certificate in such form as the secretary of state may require, setting forth:

- (a) The name of the corporation;
- (b) The location of its principal office;
- (c) The names and addresses of its president, treasurer, clerk or secretary and of the members of its board of directors;
- (d) The date of its annual meeting for the election of officers;
- (e) The amount of its capital stock, authorized and issued, the number and par value of its shares and the amount paid in thereon to its treasurer. Said certificates shall be subscribed and sworn to by its president, treasurer or clerk.

Savings Banks.

The following matters must be attended to annually by savings banks:

Within thirty days after the annual election in the several savings banks, the clerks thereof shall cause to be published in some local newspaper, if any, otherwise in the nearest newspaper, a list of the officers and corporators thereof. They shall also return a copy of such list of officers and corporators to the Bank Commissioner within said thirty days, which shall be kept on file in his office for public inspection. Any clerk who neglects to give such notice or make such return shall be liable to a penalty of fifty dollars. (Rev. Stats. 1916, Chap. 52, Sec. 20.)

The treasurer of every savings bank . . . shall also, at least once in each year, cause to be entered on a suitable book, the net sum of each individual deposit at a fixed date, and ascertain the aggregate of all such deposits, and whether it agrees with the other books of said bank; and said books shall be open at all times for the inspection of the trustees, corporators and Bank Commissioner. (Rev. Stats. 1916, Chap. 52, Sec. 44.)

The treasurer of every savings bank and institution for savings shall annually make return of the condition and standing thereof at such time as the Bank Commissioner designates, which return shall be made to said commissioner within fifteen days after the day designated in the blank form of such return furnished to every such bank or institution by the commissioner. (Rev. Stats. 1916, Chap. 52, Sec. 45.)

In addition to the foregoing return, every savings bank must cause an annual examination of its condition to be made by two of its trustees and a report thereof made by them to the Bank Commissioner on such date as he may specify. (Rev. Stats. 1916, Chap. 52, Sec. 47.)

The same obligation is imposed on trust companies. (Rev. Stats. 1916, Chap. 52, Sec. 87.)

Building and Loan Associations.

The profits and losses may be distributed annually, semi-annually or quarterly, to the shares then existing, but shall be distributed at least once in each year, and whenever a new series of shares is to be issued. (Rev. Stats. 1916, Chap. 52, Sec. 115.)

Domestic Mutual Fire Insurance Companies.

Every domestic mutual fire insurance company shall publish annually three weeks successively in some daily or weekly paper printed in the county where it is located, a condensed statement of its condition, conformable to its last annual report to the commissioner; and any such company which neglects or refuses to publish such statement, forfeits not less than fifty dollars. (Rev. Stats. 1916, Chap. 53, Sec. 37.)

MASSACHUSETTS.**Foreign Corporations.**

Foreign corporations file certificate of condition annually within thirty days after date fixed for annual stockholders' meeting and pay excise tax (Laws 1909, Chap. 490, Part III, Secs. 54, 55, 56) as follows:

Sec. 54.

Every foreign corporation shall annually, within thirty days after the date fixed for its annual meeting, or within thirty days after the final adjournment of said meeting, but not more than three months after the date so fixed for said meeting, prepare and file in the office of the secretary of the commonwealth, upon payment of the fee provided in section ninety-one of chapter four hundred and thirty-seven of the acts of the year nineteen hundred and three, a certificate signed and sworn to by its president, treasurer, and by a majority of its board of directors, showing the amount of its authorized capital stock, and its assets and liabilities as of a date not more than ninety days prior to said annual meeting, in such form as is required of domestic business corporations under the provisions of section forty-five of said chapter, and the change or changes, if any, in the other particulars included in the certificate required by section sixty of said chapter, made since the filing of said certificate or of the last annual report. . . .

Sec. 55.

A certificate which is required to be filed by the preceding section shall be accompanied by a written statement under oath by an auditor, as provided in section forty-seven of chapter four hundred and thirty-seven of the acts of the year nineteen hundred and three, except that such auditor shall in all cases be chosen by the board of directors. Before it is filed it shall be submitted to the commissioner of corporations, who shall examine said certificate and shall as tax commissioner assess upon the corporation an excise tax in accordance with the provisions of the following section. If he finds that the certificate is in compliance with the

requirements of the preceding section, he shall indorse his approval thereon; but no certificate shall be filed until he has indorsed his approval thereon, and until the excise tax required by the following section has been paid to the treasurer and receiver general.

Sec. 56.

Every foreign corporation shall, in each year, at the time of filing its annual certificate of condition, pay to the treasurer and receiver general, for the use of the commonwealth, an excise tax to be assessed by the tax commissioner of one-fiftieth of one per cent of the par value of its authorized capital stock as stated in its annual certificate of condition; but the amount of such excise tax shall not in any one year exceed the sum of two thousand dollars, provided, that for the purpose of assessing the excise upon corporations whose stock was issued without a par value one hundred dollars shall be considered par.

Domestic Corporations.

A similar certificate or report must be filed by domestic corporations under chapter 437 of the Laws of 1903 as follows:

Sec. 45.

Every corporation shall annually, within thirty days after the date fixed in its by-laws for its annual meeting last preceding the date of such report, or within thirty days after the final adjournment of said meeting, but not more than three months after the date so fixed for said meeting, prepare a report of condition which shall be signed and sworn to by its president, treasurer and at least a majority of its directors stating:

1. The name of the corporation.
2. The location (with street address) of its principal office in this commonwealth, and elsewhere in the case of a corporation organized to do business wholly outside the commonwealth.
3. The date of its last preceding annual meeting.
4. The total amount of its authorized capital stock; the amount issued and outstanding and the amount then paid thereon; the

class or classes, if any, into which it is divided; the par value and number of its shares.

5. The names and addresses of all the directors and officers of the corporation, and the date at which the term of office of each expires.

6. A statement of the assets and liabilities of the corporation as of the date of the end of its last fiscal year, to be made substantially in the following form:

Assets.

Real estate,	
Machinery,	
Merchandise:	

Manufactures, merchandise, material and stock in process.

Cash and debts receivable,	
Patent rights,	
Trade marks,	
Good will,	
Profit and loss,	

Total,	
------------------	--

Liabilities.

Capital stock,	
Accounts payable,	
Funded indebtedness,	
Floating indebtedness,	
Surplus,	
Profit and loss,	

Total,	
------------------	--

Sec. 46.

Such report shall be submitted to the commissioner of corporations, who shall examine it and if he finds that it conforms to the requirements of this act, he shall indorse his approval thereon; and upon the payment of the fee hereinafter provided, it may be filed in the office of the secretary of the commonwealth, who shall receive and preserve it in book form convenient for reference and open to public inspection.

Sec 47.

Such report of a corporation which has a capital stock of one hundred thousand dollars or more shall be accompanied by a written statement under oath by an auditor to be employed for each ensuing fiscal year by a committee of three stockholders who are not directors which shall be selected at each annual meeting of the stockholders, or, if there are not three stockholders other than directors able and willing to serve on such committee, then to be employed by the directors, stating that such report represents the true condition of the affairs of said corporation as disclosed by its books at the time of making such audit; but no bookkeeper, treasurer or other officer of the corporation who shall sign and execute the statement shall be appointed as auditor within the meaning of this act. The statement of the auditor shall be filed by him with said report in the office of the secretary of the commonwealth and shall be attached to and form part of it. The auditor shall be sworn to the faithful performance of his duties by a justice of the peace or some other magistrate authorized to administer oaths or affirmations; and the officers of the corporation who sign the said report of condition shall certify thereon that the auditor was duly elected and qualified, as herein provided.

The following penalties are imposed on both foreign and domestic corporations for failure to file the annual certificate or report of condition (Laws 1903, Chap. 437, Sec. 49):

If a corporation fails to file its report of condition within thirty days after the date of its annual meeting or of a final adjournment thereof, the commissioner of corporations shall give notice by mail, postage prepaid, to such corporation of its default. If it omits to file such report within thirty days after such notice of default has been given, it shall forfeit to the commonwealth not less than five nor more than ten dollars for each day for fifteen days after the expiration of the said thirty days, and not less than ten nor more than two hundred dollars for each day thereafter during which such default continues, or any other sum, not greater than the maximum penalty or forfeiture, which the court may deem just and equitable. If a corporation fails for

two successive years to file its annual report of condition, the supreme judicial court, upon application by the commissioner of corporations, after notice and hearing, may decree a dissolution of the corporation.

Trust Companies.

Trust companies make reports to the Bank Commissioner when requested by him, but not more than five times per year (Laws 1908, Chap. 520, Sec. 13).

Fire Insurance Companies.

Fire insurance companies make a return annually to the Insurance Commissioner, when called for by him, of all reinsurance contracted for or effected by them (Laws 1907, Chap. 576, Sec. 20).

Savings Banks.

Clerks publish list of officers, etc., after each annual election (Laws 1908, Chap. 590, Sec. 29) as follows:

The officers of such corporation, except the board of investment, treasurer, vice-treasurer and assistant treasurer, shall be elected at its annual meeting, anything in its charter to the contrary notwithstanding. The board of investment, treasurer, vice treasurer and assistant treasurer shall be elected by the trustees and shall hold office during their pleasure. If any office becomes vacant during the year, the trustees may elect a person to fill it until the next annual meeting; and if a person elected does not, within thirty days thereafter, take the oath, his office shall thereupon become vacant. The clerk of the corporation shall, within ten days after the meeting, notify all persons elected to office; and within thirty days thereafter shall publish in a newspaper published in the county in which the corporation is established a list of all persons who have taken the oath of office to which they were elected and a list of the members of the corporation. Said lists shall be included in the annual report of the corporation to the commissioner, and shall be kept on file in his office for in-

spection by the public. A clerk who neglects to give such notice or make such publication, or who makes a false publication, and a person who knowingly publishes or circulates, or knowingly causes to be published or circulated, a printed notice containing the name of a person as an officer of such corporation who has not taken the oath of office, shall be liable to a penalty of fifty dollars. The clerk shall transmit to the commissioner a copy of all by-laws adopted and all amendments thereof. Upon the election as trustee of any such bank of a person who has not been theretofore a trustee thereof, the clerk shall send forthwith to the commissioner the name and address of such person, and the commissioner shall thereupon transmit to such person a copy of this act.

Notices to be sent to certain depositors every six months (Laws 1908, Chap. 590, Sec. 47) as follows:

The treasurer of such corporation, at least once in each year, shall send notice by mail to each depositor who for the six months last preceding has not been entitled to a dividend on the whole amount standing to his credit because the same exceeds the amount on which interest is allowed, specifying the amount not entitled to dividend.

Auditing Committee examine books and report to Bank Commissioner at least once each year (Laws 1908, Chap. 590, Sec. 32) as follows:

At the first meeting after their election the trustees shall appoint an auditing committee of not less than three trustees, of which neither the treasurer nor more than one member of the board of investment shall be members, who shall at least once during the twelve months following their appointment, and oftener if required by the commissioner, cause to be made at such time as the commissioner may determine, in such form and manner and by such certified public accountant not connected with said bank as shall first be approved by the commissioner, a thorough examination and audit of the books, securities, cash, assets, liabilities, income and expenditures of such corporation, including an accurate trial balance of the depositors' ledger, for the period elapsed since the preceding examination and audit, or for such

other period as the commissioner may prescribe. Such accountant shall personally direct and supervise the making of said examination and audit, except that, with the consent of the commissioner, he may verify a trial balance of the depositors' ledger made by the bank within six months, and, with the consent of the commissioner, such assistance as shall be necessary may be furnished by the bank. Such accountant shall report to the auditing committee the result of his examination and audit, and at the next meeting of the trustees thereafter the committee shall render a report, which shall be read, stating in detail the nature, extent and result of such examination and audit, and such report and the accountant's report shall be filed and preserved with the records of the corporation. The committee shall file with the commissioner a copy of the report of the accountant within ten days after its completion. The certified public accountant and the auditing committee shall certify and make oath that the reports made by them under this section are correct according to their best knowledge and belief. If the committee fails to cause to be made an examination and audit, including an accurate trial balance of the depositors' ledger as herein provided, the commissioner shall cause them to be made by a certified public accountant in such form and manner as he may prescribe, and the expense thereof shall be paid by the bank.

Trust Companies.

Auditing Committee of Board of Directors examine books and report to Bank Commissioner at least once each year (Laws 1907, Chap. 319, Secs. 2-4) as follows:

Sec. 2.

At least once in each year the committee, without previous notice to the officers or directors of the corporation, shall make or cause to be made a thorough examination of the assets and liabilities of the corporation, including those of its trust department. Within ten days after the completion of such examination the committee shall file in the office of the bank commissioner a report thereof in writing, sworn to by each member of the com-

mittee making the examination, and a duplicate of the report, or such part thereof as the meeting may determine, shall be read to the directors and to the stockholders at their meetings immediately following the completion of the report.

Sec. 3.

The report aforesaid shall be made on forms to be furnished by the bank commissioner and shall contain a statement of the assets and liabilities of the corporation, including those of its trust department, together with such other information as the bank commissioner may require. It shall also specify in detail any loans or discounts which, in the opinion of the committee, are worthless or of doubtful value, and any loans made on collateral security which in their opinion is of doubtful value or not readily marketable, together with their reasons for so regarding them.

Sec. 4.

If upon receipt of the report or if upon examination of any such corporation a further examination or audit of its books and affairs shall appear necessary, the bank commissioner may cause to be made by an expert, at the expense of the corporation, such further examination or audit as he may consider necessary.

NEW JERSEY.

Domestic and foreign corporations, except banking and insurance corporations, file a report with the Secretary of State annually within 30 days after the time appointed for holding the annual election of directors (Laws 1896, Chap. 185, Sec. 43 as amended) as follows:

Every domestic corporation and every foreign corporation doing business within this state shall file in the office of the secretary of state within thirty days after the first election of directors and officers and annually thereafter within thirty days after the time appointed for holding the annual election of directors, a report authenticated by the signatures of the president and one other officer, or by any two directors of the company, stating:

I. The name of the corporation;

II. The location (town or city, street and number, if number there be) of its registered office in this state, and the name of the agent upon whom process against the corporation may be served;

III. The character of its business;

IV. The amount of its authorized capital stock, if any, and the amount actually issued and outstanding;

V. The names and addresses of all the directors and officers of the company and when the term of office of each expires;

VI. The date appointed for the next annual meeting of the stockholders for the election of directors;

VII. Whether the name of such corporation has been at all times displayed at the entrance of its registered office in this state, and whether such corporation has kept at this registered office in this state a transfer book in which the transfers of stock are made, and a stock book containing the names and addresses of the stockholders and the number of shares held by them respectively, open at all times to the examination of the stockholders as required by law; provided, however, that the requirement of this subdivision shall not apply to foreign corporations nor to any railroad or canal corporation; and further provided, that no part of this section shall apply to corporations as are now by law under the supervision of the department of banking and insurance; if such report is not so

made and so filed the corporation shall forfeit to the state two hundred dollars, to be recovered with costs in an action of debt, to be prosecuted by the attorney-general, who shall prosecute such actions whenever it shall appear that this section has been violated; and further provided, if such report be not so made and filed all of the directors of any such domestic corporation who shall wilfully refuse to comply with the provisions hereof and who shall be in office during the default shall at the time appointed for the next election, and for a period of one year thereafter, be thereby rendered ineligible for election or appointment to any office in the company as directors or otherwise; no director shall be thus disqualified for the failure to make and file such report if he shall file with the secretary of state before the time appointed for holding the next election of directors after said default, a certificate stating that he has endeavored to have such report made and filed, but that the officers have neglected to make and file the same, and shall report the items required to be stated in such annual report so far as they are within his knowledge, or are obtainable from sources of such information open to him, verified by him to be true to the best of his knowledge, information and belief; the secretary of state shall upon application furnish blanks in proper form and shall safely keep in his office all such reports and shall prepare an alphabetical index thereof, which reports and index shall be open to the inspection of all persons at proper hours.

Banks and Trust Companies.

An examining committee appointed by the directors from their own number must examine every bank and trust company at least once every six months (Laws 1899, Chap. 173, Sec. 11; Chap. 174, Sec. 14).

Banks make not less than four reports to the Commissioner of Banking and Insurance each year on such dates as may be specified by him (Laws 1899, Chap. 173, Sec. 13) as follows:

Every bank shall make to the commissioner of banking and insurance not less than four reports during each year, according to the form which may be prescribed by him, verified by the oaths or affirmations of the president or vice-president and cashier of

such bank, and attested by the signatures of at least three directors; every such report shall exhibit, in detail and under appropriate heads, the resources and liabilities of the bank at the close of business on any day past specified by the commissioner, and shall be transmitted to the commissioner within ten days after the receipt of a request or requisition therefor from him, and an abstract or summary of every such report in such form as shall be prescribed by the commissioner of banking and insurance, shall be published by the bank once in a newspaper published in the place where such bank is established, or, if there is no newspaper in the place, then in one published nearest such place in the same county; and such proof of publication shall be furnished as may be required by the commissioner; such publication shall be made within two weeks after the filing of such report, the expense thereof to be borne by the bank; the commissioner shall also have power to call for special reports from any bank whenever in his judgment the same are necessary to a full and complete knowledge of its condition; every bank which fails to make and transmit any report required under this section shall be subject to a penalty of one hundred dollars for each day after the period herein specified that it delays to make and transmit its report, to be sued for and collected by the commissioner of banking and insurance in the name and for the benefit of the state.

Trust companies make two such reports annually. The statute under which the reports are required is otherwise identical with the foregoing, and therefore need not be repeated (Laws 1899, Chap. 174, Sec. 16).

NEW YORK.**Insurance Companies.**

Seven months before annual election of directors, domestic mutual life insurance companies must file list of nominees with Superintendent of Insurance, and three months before election must mail ballots to policy holders (Insurance Law, Sec. 94, subs. 8, 12) as follows:

8. At least seven months prior to the date of any election of directors in any such corporation, the board of directors shall nominate candidates for every vacancy to be filled at such election and shall also appoint three persons, jointly or severally, to receive proxies to be voted for said nominees, and shall also file with the Superintendent of Insurance and at its home office a certificate of the names of the candidates so nominated and of the persons so designated to receive said proxies, which shall be described as the administration ticket. . . .

12. At least three months prior to any such election the corporation shall cause to be mailed, in a serially numbered sealed envelope with postage prepaid, to each policyholder whose name shall be upon said list and whose policy shall still be in force, at his last known post-office address, a corresponding serially numbered official ballot in a form approved by the superintendent of insurance and containing the respective tickets nominated as hereinbefore provided and the names and addresses of the persons so appointed to receive proxies. A corresponding serially numbered stub or card containing the name and address of the policyholder to whom each ballot is sent shall be retained at the home office of the company for the purpose of identifying said ballot when returned. Such official ballot shall be conveniently arranged under the names or titles by which the nominations have been designated and shall have printed upon it the name of the company, the post-office address of its home office, the number of directors to be elected and the names of those whose terms expire, the date of the election and instructions as herein provided for executing

such official ballot or for the use of a proxy as herein provided and a designated space for the signature of the policyholder, the number of one of his policies and the signature of a subscribing witness.

Banking Corporations.

Banks and trust companies must hold annual directors' meeting for election of officers within fifteen days after annual stockholders' meeting (Banking Law, Secs. 128, 213).

Banking corporations of all kinds make quarterly reports to Superintendent of Banks at such times as he requires (Banking Law, Sec. 42) as follows:

It shall be the duty of the superintendent to require all corporations to which this chapter is applicable, all individual bankers and personal loan brokers and all private bankers to whom article four of this chapter is applicable to make to him the regular periodical reports of their condition prescribed by this chapter and he shall prescribe the form and contents of all such reports. In addition to such regular reports he may require any such corporation, banker or broker to make special reports to him at such times and in such form as he may prescribe, and may direct that such special reports be verified and prescribe the form of the verification.

He shall at least once in every three months, designate some day therein in respect to which every such bank, trust company and individual banker, and every such private banker except such as shall have duly obtained certain exemptions pursuant to section one hundred sixty of this chapter, shall report to him, and he shall serve a notice designating such day. Such notice may be served by delivering the same to such private or individual banker or, in the case of a corporation, by delivering the same at its place of business to some officer therein, or it may be served in any case by depositing it in the post-office enclosed in a post-paid wrapper directed to such corporation or banker at its principal place of business.

PENNSYLVANIA.**Savings Banks.**

Trustees examine the affairs of the bank at least once annually (Act May 20, 1889, Sec. 25, P. L. 246) as follows:

It shall be the duty of the trustees of every corporation incorporated under this act to make a thorough examination, at least once in every year, of the books, vouchers, assets and affairs generally, and the statements furnished to the auditor general, and to see that accurate balances of the depositor's ledger have been made, and to see if any discrepancies exist between the amount due the depositor, as shown by such balances, and the amount due the depositor as shown by the general ledger.

Banking Corporations in General.

All corporations subject to the supervision of the Commissioner of Banking, including building and loan associations, make not less than two reports annually, sworn to by the managing officer and attested by at least three directors, on such dates as the Commissioner may specify. Such reports shall contain a detailed statement of the resources and liabilities of the corporation and shall be furnished within five days after receipt of a request therefor, unless the time is extended by the Commissioner (Act June 24, 1895, P. L. 233).

Building and Loan Associations.

As soon after December 31st as circumstances will permit, foreign and domestic building and loan asso-

ciations certify to Auditor General the amount of their fully paid, prepaid or matured stock upon which dividends or interest were paid during the preceding calendar year (Act June 22, 1897, P. L. 178. See Summary of Pennsylvania Taxation at page 285 hereof).

PART III

SUMMARIES OF STATE SYSTEMS OF CORPORATE TAXATION.

DELAWARE.

(1) General or State Taxation.

Domestic business corporations organized since March 10, 1899, other than public service corporations, banking and insurance companies, manufacturing, mercantile and mining corporations whose paid in capital stock is invested in a business carried on in Delaware and other corporations 50% of whose stock is so invested, pay an annual franchise tax of \$5.00 if the authorized capital stock does not exceed \$25,000, \$10 if it is from \$25,000 to \$100,000, \$20 if it is between \$100,000 and \$300,000, \$25 if it is from \$300,000 to \$500,000, \$50 if it is between \$500,000 and \$1,000,000, and \$25 more for each additional million dollars or fraction thereof. Where stock is without par value, the tax is computed on a basis of \$100 par.

All domestic business corporations, however (except banks and trust and loan companies), whether subject to the foregoing tax or not, must make an annual report to the Secretary of State on or before the first Tuesday of January on the basis of which report the tax is levied on those companies which are subject to it. A statement of the tax is sent to such corporations

on or before the third Tuesday of March and the tax is payable without penalty from that date until July 1. Corporations showing in their annual report that they are not engaged in any business are required to pay only one-half of the above tax, but in no instance less than \$5.00. In the case of manufacturing and mining corporations less than 50% of whose issued capital stock is invested in manufacturing or mining carried on in Delaware the assessed value of the corporation's real and personal property is deducted from the amount of its capital stock in the computation of the tax.

National and state banks, savings banks, trust and loan companies doing business in Delaware pay a state tax of one-fifth of 1% on the total of their capital stock, surplus and undivided profits, less the value of the premises used by them as banking houses. Within 20 days after notice from the Insurance Commissioner, which notice is given some time during the month of April, such corporations file with him a report giving the necessary information for assessing the tax. This tax is payable on June 1.

Both foreign and domestic life insurance companies pay a franchise tax of 2% on the gross premiums received for insuring the lives of residents of Delaware during the preceding calendar year. In the case of domestic companies the amount of this tax is determined from the report which they are required to file with the Secretary of State, above referred to, and the tax is payable before July 1. Foreign life companies file with the Insurance Commissioner a statement giving the necessary figures on February 28 and at the same time pay the 2% tax to him.

Domestic insurance companies other than life companies pay an annual license fee or franchise tax of

three-quarters of 1% of the gross premiums received during the preceding calendar year for insuring the lives or property of persons residing in Delaware plus \$100 in the case of fire insurance companies. The tax is computed from the report filed with the Secretary of State in the same manner as that of domestic life companies, and is payable without penalty until July 1.

The annual tax levied on foreign insurance companies other than life companies doing business in Delaware equals $1\frac{1}{2}\%$ of the gross premiums and assessments collected in Delaware during the preceding calendar year. A statement showing the amount of such premiums is made to the Insurance Commissioner on February 1 and the tax is payable to him at the same time.

Manufacturing and mercantile corporations, both domestic and foreign, must annually take out a license to carry on business in Delaware. A statement, on the basis of which the license is issued, must be filed before June 1 with the Clerk of the Peace of the county in which such business is carried on, accompanied by payment of a license fee of \$5.00 plus one-fiftieth of 1% of the gross receipts for the preceding year.

All corporations feeling themselves aggrieved by the assessment of any state tax may appeal to the Governor from such assessment within three months after the third Tuesday of March. If no appeal is taken within this period the right to appeal is deemed waived and the tax thereupon becomes due and collectible at once.

(2) Local Taxation.

Corporations are taxed locally on their real and personal property in the same manner as individuals, with

these exceptions: (1) banks and trust companies are not taxed on their personal property, and (2) the real estate of corporations situated in certain specified localities in the city of Wilmington is exempt from taxation.

The date when real and personal property taxes are assessed varies in the different counties; in New Castle and Sussex the assessment is completed by January 1, while in Kent county it is not finished until February 15. The Board of Revision sits to review assessments in the first two counties named on the last Tuesday of January and in Kent county on the first Tuesday of March. Appeals by taxpayers from their assessments may be made to the Levy Courts of New Castle and Sussex counties until the first Tuesday of March, and to the Levy Court of Kent county for a week longer.

In Kent county taxes are payable without penalty from the first Tuesday of May until January 1 following. On taxes paid before July 1 an abatement of 5% is allowed, and on those paid between July 1 and October 1 an abatement of 3%. In New Castle and Sussex counties taxes are payable from July 1 to January 1, and the 5% and 3% abatements are allowed for taxes paid before October 1 and December 1 respectively.

(3) Transfer Tax.

There is no tax on the issue, sale or transfer of shares of stock in Delaware.

MAINE.

(Revised and approved by the Board of State Assessors of Maine.)

(1) General or State Taxation.

Domestic business corporations other than banking and insurance corporations and public service corporations pay an annual franchise tax of \$5.00 if the authorized capital does not exceed \$50,000; \$10 if the authorized capital is from \$50,000 to \$200,000; \$50 if it is between \$200,000 and \$500,000; \$75 if it is from \$500,000 to \$1,000,000, and \$50 more for each additional million or fraction thereof. This tax is based on a report made annually by such corporations on or before June 1; the tax is assessed on July 1 and is payable on September 1. Foreign corporations of the classes above specified which do business in Maine pay a yearly license fee of \$10, payable March 1.

Domestic life insurance corporations, in lieu of all other taxation on their personal property, pay an annual franchise tax of 2% on premiums received from residents of Maine during the preceding calendar year plus $\frac{1}{2}\%$ of their surplus. All other domestic and foreign insurance companies except certain mutual fire insurance companies are taxed $1\frac{1}{2}\%$ on premiums received during the preceding calendar year on contracts made in Maine. Foreign mutual fire insurance companies which insure only mill or factory property pay a tax of 2% on such premiums.

(Insurance companies incorporated by a state or country, whose laws impose upon insurance companies chartered by this state, a greater tax than is provided by this state, may be required to pay the same tax

upon business done by them in Maine, in place of the tax provided.)

All corporations of the classes mentioned in the preceding paragraph file tax returns with the Insurance Commissioner annually before January 31, on the basis of which returns the taxes referred to are assessed on April 1 and are payable thereafter until May 1.

Savings banks pay an annual tax of five-eighths of 1% on the value of their franchises as computed by the Board of State Assessors according to the method prescribed in sections 60 and 61 of R. S. 1916, ch. 9. As a basis for this computation savings banks make semi-annual reports to the Bank Commissioner on the first Saturdays of April and October. The tax is payable in two equal installments on May 25 and November 25 respectively. (New legislation relating to this tax is now pending.)

Other banks and trust companies (except foreign bankers) pay a tax of $\frac{1}{2}\%$ on the value of their franchises as computed by the Board of State Assessors. Reports are made and the tax is payable at the same times and in the same manner as those of savings banks.

Building and loan associations are taxed $\frac{1}{4}\%$ on their total monthly dues. They render semi-annual reports of their assets and liabilities to the Board of State Assessors on the second Mondays of April and October. One-half the tax is payable on the first Monday of May and the remainder on the first Monday of November.

(2) Local Taxation.

Generally speaking, real and personal property belonging to business corporations is assessed and taxed

in the same way as that of individuals, except that deposits in banks, savings banks and trust companies, dues received by building and loan associations and the personal property of insurance companies is exempt from local taxation. Both real and personal property is assessed as of April 1, real property in the tax district where it lies and personal property where its owner resides. Determination of the place of assessment is, however, subject to these conditions: (1) personal property employed in building, trade or the mechanic arts on April 1 is taxed in the district where so employed, and (2) machinery, goods manufactured or unmanufactured and real estate belonging to corporations is taxed where it is situated or employed.

Before the annual assessment is made, taxpayers are notified to furnish to the local assessors lists of their taxable real and personal property. No taxpayer who fails to furnish such a list can afterward apply for abatement of the tax assessed against him. With this exception taxpayers who are aggrieved by their assessments may make such application to the assessors within two years from the date of assessment.

If the application is denied, the taxpayer may apply to the County Commissioners at their next meeting; an appeal may be taken by either party from the decision of the Commissioners to the Supreme Judicial Court, or if the taxpayer prefers he may appeal direct to such court from the decision of the local assessors.

Each town determines for itself the date when taxes shall be payable and the interest to be charged thereon. Unpaid taxes on real estate may be collected either by an action of debt against the owner or by sale of the real estate involved. Proceedings to collect such tax by action may be commenced eight months after the

tax becomes due; to collect it by sale, on the first Monday of February next after the tax was assessed.

It should be noted that neither the real or personal property of a corporation nor the shares of its capital stock owned by nonresidents are subject to any local taxation if the corporation has all its assets and transacts all its business (except the holding of stockholders' meetings) outside the state.

(3) Transfer Tax.

There is no tax upon the issue, sale or transfer of shares of stock in Maine.

MASSACHUSETTS.

(Revised and approved by the Tax Commissioner of Massachusetts.)

(1) General or State Taxes.

In the case of domestic business corporations other than banks, insurance companies and public utility corporations, but including trust companies, the amount of this tax is determined by the true market value of their total issued capital stock on April 1 as disclosed by a return which must be filed annually with the Tax Commissioner between April 1 and April 10. The tax-rate is equal to the average of the annual rates of local taxes for the three preceding years. In the month of September the Tax Commissioner sends each corporation notice of the amount of its tax, which is payable on October 20. Within ten days after the date of such notice application may be made to the Board of Appeal for the correction of such tax. Interest at 6% per annum runs on unpaid taxes from October 20.

In addition to this tax domestic corporations owning an interest in any ship or vessel engaged in interstate or foreign commerce must pay annually a tax of one-third of 1% on the value of such interest. This value is computed as of April 1 and is based on a return which every such corporation must make to the Tax Commissioner between April 1 and April 30. This tax is also payable on October 20.

Foreign corporations, except insurance companies, pay an annual excise tax equal to one-fiftieth of 1% of the par value of their authorized capital stock, but such tax shall not exceed \$2,000. If the shares of stock

have no par value the tax is figured on the basis of \$100 par value. Payment of this tax accompanies the filing of their annual certificate of condition with the Secretary of State, which must be done within 30 days after the date fixed for the annual stockholders' meeting or the final adjournment thereof, but in no case more than three months after the date originally fixed for such meeting.

Domestic and foreign life insurance companies pay a tax of one-fourth of 1% on the net value of all policies in force on December 31 of each year. The tax is levied on the basis of a return which such companies must make annually on or before May 10 for the preceding 31st of December, and is payable on October 20. Foreign life insurance companies pay an additional tax equal to the difference between the foregoing tax and the taxes levied by their parent states on Massachusetts life companies.

Other domestic insurance companies pay an annual excise tax of 1% on all premiums charged and assessments made during the preceding year. Foreign insurance companies other than life pay 2% on premiums charged or collected in Massachusetts unless their parent states charge a higher rate on the premiums of Massachusetts companies, in which case they pay a tax equal to such higher rate. Such companies, if organized under the laws of any foreign country pay 4% on the premiums charged or collected by their agents in Massachusetts. All companies mentioned in this paragraph make returns in January of each year giving the necessary information for assessing the tax, which is payable on November 20.

Savings banks pay an annual state tax of one-half of 1% on the amount of their deposits, one-half the tax

being assessed on the average amount of deposits for the six months preceding the first day of May and the other half on a similar average for the six months preceding the first day of November. Savings banks make semi-annual returns showing these deposits on or before May 10 and November 10 respectively. Half the tax is payable on May 25 and the remainder on November 25.

National banks and trust companies pay a tax on all property held in trust which would be subject to taxation if held by individual trustees. This tax is assessed at the same rate and is payable at the same time as the franchise tax on domestic business corporations above referred to.

All corporations have the right to appeal to the Supreme Judicial Court from the assessment of any tax which they believe to have been illegally exacted, within six months after the payment of such tax.

(2) Local Taxation.

All domestic business corporations except banks are subject to local taxation on their real estate and machinery by the cities or towns in which such property is located. Foreign corporations are subject to such local taxation on their real estate, machinery and merchandise. They must file a return showing such property with the Tax Commissioner annually between April 1 and April 10. National and state banks pay local taxes on their real estate and on the fair cash value of their shares of stock. The tax on the shares, however, is ultimately payable by the owners, and banks have a lien on such shares for the amount of taxes which they pay thereon.

Except as mentioned in the preceding paragraph, corporations are not subject to local taxation. All local taxes on real estate are assessed as of April 1, on which date they become a lien thereon. Bills are sent out not later than October 15, and the taxes are payable on that date.

(3) Income Taxes.

Corporations in general are not subject to income tax, the statute levying such tax on them having been for the year 1918 only. However, corporations acting as trustee must file a return with the Tax Commissioner annually between January 1 and March 1 showing the income derived from such trust funds during the previous calendar year and on October 15 must pay a tax on such income for account of the beneficiary, varying from $1\frac{1}{2}\%$ to 6% according to the manner in which the funds are invested.

(4) Stock Transfer Tax.

The statute imposes a tax upon all sales and agreements to sell, and upon all deliveries or transfers of shares or certificates of stock of all corporations, whether domestic or foreign, and of all voluntary associations existing under a written instrument or declaration of trust where the beneficial interests are divided into transferable certificates or shares.

It does not, however, apply to the original issue of stock nor to an agreement evidencing the deposit of stock certificates as collateral security for money loaned thereon, since the stock certificates are not actually sold, nor to such stock certificates; nor to the transfer of stock certificates of a deceased person to his executor or administrator, although all transfers

from an executor or administrator to trustee and beneficiaries are taxable; nor to the transfer of stock certificates by a trustee to his successor or co-trustee under the same trust.

The rate of taxation is two cents on each one hundred dollars or fraction thereof of the face (par) value. Where the certificate has no face value the tax is levied at the rate of two cents on each one hundred dollars, or fraction thereof, of the selling value as determined by the sale.

The payment of the above tax is denoted by the affixing of adhesive stamps. It is the duty of the seller to procure, affix, and cancel these stamps.

Stamps shall be placed upon the books of the company when the evidence of transfer is shown only by these books. The stamps shall be placed upon the certificate where the change of ownership is by transfer of a certificate. In case of an agreement to sell or where the sale is effected by the delivery of the certificate assigned in blank, there must be made and delivered by the seller to the buyer a bill or memorandum of such sale, containing the date of the transaction, the name of the seller and of the stock to which it relates and the number of the shares, and this bill of sale must be preserved for at least two years.

In every case where a stamp is used to denote the payment of the tax, the person using or affixing the stamp must cancel it by writing or stamping thereon the initials of his name, and the date upon which the stamp is attached. He must also cut or perforate the stamp in a substantial manner so that it cannot be used again.

(From a circular issued by the Tax Commissioner of Massachusetts.)

NEW JERSEY.

(Revised and approved by the State Board of Taxes and Assessment of New Jersey.)

(1) General or State Taxes.

General or state taxes are levied on different classes of corporations as follows:

Domestic business corporations, except those belonging to the classes listed in the next paragraph, pay an annual franchise tax of one-tenth of 1% upon the par value of their issued and outstanding capital stock up to \$3,000,000, one-twentieth of 1% on such stock from \$3,000,000 to \$5,000,000, and \$50 on each \$1,000,000 or fraction thereof in excess of \$5,000,000. This tax is based on a report made by such corporations to the State Board of Taxes and Assessment annually on or before the first Tuesday in May, and may be paid without penalty up to July first. After that date the tax bears interest at 1% per month.

Corporations at least 50% of whose issued and outstanding capital stock is invested in mining or manufacturing actually carried on in New Jersey are exempt from this tax, but must file the report above referred to. Banking corporations of all kinds, insurance companies other than domestic life insurance companies, and foreign business corporations are not required either to file this report or to pay any franchise tax. Domestic life insurance companies must file a report with the Department of Banking and Insurance, but in their case the franchise tax assessed is 1% of the company's surplus plus 35/100 of 1% of the gross premiums collected in New Jersey during the preceding calendar year.

The shares of capital stock of national and state banks (other than savings banks) are taxed three-quarters of 1% of their value. The tax is based on a report made annually on January 10th by such banks to the Board of Taxation of the county in which the bank is located. It is payable in the first instance by the bank itself, which then has a lien on its shares for the amount so paid. This tax is in lieu of all other state, county and local taxation upon said shares of stock and upon all personal property owned by such banks. Savings banks do not pay any state tax on their stock, but are subject to local taxation on their real and personal property in the same manner as individuals.

Foreign life insurance companies doing business in New Jersey pay the same taxes as are imposed on New Jersey life insurance companies doing business in the home states of such foreign companies. Foreign insurance companies other than life pay a tax of 2% on the gross premiums collected on New Jersey business during the preceding calendar year. An annual report showing the amount of such premiums must be made to the Commissioner of Banking and Insurance and the tax must be paid before February 15th. Domestic insurance companies other than life pay only local taxes.

(2) Road, Bridge and Tunnel Taxes.

In addition to the foregoing state taxes, all taxable real and personal property in the State of New Jersey, whether owned by corporations or individuals, is subject, during the years 1917 to 1921 inclusive, to a state tax of one-tenth of 1% for state road purposes; and to a state tax of the same amount during the years 1922:

to 1925 inclusive for the purpose of constructing bridges or tunnels across the Delaware and the Hudson River. Both of these taxes are assessed, levied and collected by the local tax officials in the same manner as local taxes.

PAGE

(3) Local Taxes.

The real and personal property of all domestic and foreign corporations organized for profit is assessed for and subject to local taxation in the same manner as that of individuals, except that as noted above, the personal property of certain banking institutions is exempt from such taxation. Real estate and tangible personal property is assessed in the tax district in which it is situated; other personal property in the tax district in which the principal office of the corporation is located. Both real and personal property are assessed as of October 1st. The assessment lists are opened for public inspection and informal correction some time before the following January 10th, on which date they are filed with the various County Boards of Taxation. These bodies deliver the corrected assessment lists to the tax collectors by April 1st, and the first half of the taxes on both real and personal property then becomes due and may be paid without penalty until June 1st. Tax bills are sent to property owners not later than May 15th, and the second half of the taxes must be paid not later than December 1st, at which time taxes on real estate become a lien thereon. Each municipality has the power, within certain limits, to grant discounts for prompt payment of taxes and to impose penalties for delinquency.

Taxpayers may appeal from their assessments to the appropriate County Board until June 15th. Such ap-

peals are decided not later than September 1st, and if the decision is unfavorable to the taxpayer a further appeal to the State Board of Taxes and Assessment is permitted if taken before October 1st.

Unpaid taxes on property locally assessed bear interest at the rate of 6% per annum from the date when they become due. Personal property may be levied on and sold for unpaid taxes thereon at any time after December 1st of the year in which such taxes fall due. Real estate on which taxes for the preceding year remain unpaid on July 1st may be sold to pay such taxes at any time thereafter. The owner of real estate so sold has the right to redeem it for two years after the sale and retains such right thereafter until six months after receipt of a notice from the purchaser calling upon him to redeem. If no such notice is given his right expires automatically at the end of twenty years after the sale.

(4) Stock Transfer Tax.

There is no tax on the issue, sale or transfer of shares of stock in New Jersey.

NEW YORK.

All foreign and domestic business corporations except (1) banking, trust and insurance companies of all kinds, (2) public service corporations, (3) holding companies and (4) corporations wholly engaged in the purchase, sale and holding of real estate for themselves, pay an annual franchise tax of $4\frac{1}{2}\%$ on their net income derived from business done in the State of New York. Corporations not subject to this income tax pay annual franchise taxes as follows:

Insurance companies pay 1% of their gross premiums for the preceding year, except foreign fire and marine companies, which pay $\frac{1}{2}\%$; trust companies pay 1% of their total capital stock, surplus and undivided profits; savings banks pay 1% of their surplus and undivided earnings; foreign banking corporations pay 5% of their yearly earnings in the State of New York; investment companies pay 15/100% of the face value of their capital stock plus 1% of their surplus and undivided profits. All other business corporations (except public service corporations, national and state banks) pay an annual franchise tax on the value of their capital stock employed in the State of New York varying from .075% to .15% thereof according to the dividends declared during the preceding year.

National and state banks do not pay any franchise tax, but in lieu thereof pay annually to the County Treasurer of the county in which the bank is situated a tax of 1% on the value of their shares. Although this tax is payable in the first instance by the bank itself, the amount so paid can thereafter be collected by the bank *pro rata* from the respective owners of its shares, and it has a lien thereon for the amount of the tax paid.

The personal property of banks is not subject to any other state or local taxation.

All corporations are required to make annual reports to the tax authorities, which furnish the basis for determining the amount of general or state taxes payable by them. Corporations subject to the income tax make this report to the State Tax Department on July 1st for the preceding year, and the tax is due on January 1st following. Insurance companies also report to the State Tax Department, but their reports are due on or before March 1st and their tax is payable on June 1st. State and national banks report on June 1st to the assessors of the tax district in which their principal office is located, the tax being assessed on December 15th and payable on or before December 31st. Franchise taxes of trust companies, savings banks and investment companies are levied on the basis of reports which such corporations must file with the State Tax Department on August 1st, and are payable on September 1st. Foreign corporations doing a banking business in New York both file their reports and pay their taxes on or before February 1st. In addition to this tax foreign banks must pay a yearly license fee of \$250 to the Superintendent of Banks.

(2) Local Taxes.

The real and personal property of foreign and domestic business corporations is subject to local taxation in the same manner and to the same extent as that of individuals, with the following exceptions: (1) banks and corporations subject to the income tax are taxed only upon their real estate and (2) domestic corporations owning vessels engaged in foreign commerce are exempt from all state and local taxation thereon until December 31, 1922. Moreover, all corpo-

rations which pay a general state franchise tax or license fee are exempt from the payment of such state taxes as are locally assessed.

Local taxes are assessed as of July 1st except in the City of New York, where October 1st is the assessment date. Real estate belonging to a corporation is assessed in the tax district in which it is situated. Personal property is assessed in the tax district in which the principal office of the corporation is located, regardless of the actual situation of the property. Corporations owning real property in a tax district other than that in which their principal office is located may have bills for taxes on such realty mailed to them by filing with the City or Town Clerk of such place a notice and demand for such bills and paying a fee of \$1.00.

The assessment is completed by August 1, and the assessment rolls are open for examination, verification and correction until August 31. In towns they are then, in their final and corrected form, filed and opened for public inspection on September 15. In cities other than New York City, this is done on September 1. In New York City the rolls are completed and filed on the first business day of October and remain open for correction until November 15 in the case of real estate assessments and until November 30 in the case of personal property assessments.

Taxpayers aggrieved by any assessment may apply to the Supreme Court in the judicial district in which such assessment was made for a writ of certiorari to review it, provided such application is made within fifteen days after the assessment rolls are completed and filed. In New York City, however, the application may be made at any time up to the 30th of June following the date of assessment.

The time when local taxes become due and payable varies in the different counties, but is usually on either February 1st or May 1st. In New York City taxes on personal property are due May 1st, as is also one-half the tax on real estate, the remainder being due November 1st.

(4) Stock Transfer Tax.

The following rulings made by the State Comptroller, pursuant to decisions of the Attorney-General, indicate the nature and method of operation of this tax:

1. The application and scope of the Stock Transfer Tax Law has been considerably broadened by the amendments thereto, effected by chapter 352 of the Laws of 1911, chapter 292 of the Laws of 1912, chapter 779 of the Laws of 1913, chapter 206 of the Laws of 1914 and chapter 552 of the Laws of 1916, with the result that the rulings heretofore made asserting exemptions from the tax are not now as a rule controlling.

2. A tax is imposed upon all sales or agreements to sell and upon all deliveries or transfers of shares or certificates of stock of any and all associations, companies and corporations, whether domestic or foreign at the rate of two cents on each hundred dollars of face value or fraction thereof, except where shares or certificates of stock are issued without designated monetary value, in which case the tax shall be two cents for each and every share of such stock.

3. The statute does not apply to the original issue of stock; but all sales or transfers made subsequent thereto, whether intermediate or final, are taxable.

4. It is not necessary to render it taxable that the transaction involve a sale. By the statute, as amended, a tax is imposed upon all sales or transfers of shares or certificates of stock, whether operating to convey the beneficial interest in or merely the legal title to said stock, or possession or use thereof for any purpose. The only exceptions to this rule are those expressly provided for in section 270 of the law.

5. The transfer to and from voting trustees is taxable, also the transfer of voting trust certificates.

6. The mere surrender of a certificate of stock for reissue in smaller denominations is not taxable; but if reissued in part to the original owner and in part to a third party it is taxable to the extent of the transfer to the third party.

7. Likewise the mere surrender of a certificate of stock held by a deceased person for issuance in the name of his executor or administrator is not taxable; but all transfers made by the latter, whether to trustees, legatees or other persons, are taxable.

8. The law applies to the stock of foreign as well as domestic corporations and to residents and non-residents alike.

9. While the law has no extra territorial operation, nevertheless, where it appears that the transfer of the stock on the corporate books within this State is essential to render the transfer effectual, it subjects it to a tax although in all other respects made without the State.

10. It is the duty of the person making or effectuating the sale or transfer to pay the required tax by procuring, affixing and canceling the stamps, except that where a sale or transfer is shown only by the books of the corporation, the person making the sale must secure, and the corporation affix and cancel the stamps to its books. (Sec. 270.)

11. Where the sale or transfer is effected by the delivery or transfer of a certificate the stamp must be placed upon the surrendered certificate. In case of an agreement to sell, or where the sale is effected by the delivery of the certificate assigned in blank, there must be made and delivered by the seller to the buyer a bill or memorandum of such sale, to which the stamps shall be affixed and canceled. This bill or memorandum with stamp attached must be affixed to the certificate, or properly identified as provided by section 276, when presented for transfer.

A strict compliance with these requirements will be insisted upon.

12. Every such bill or memorandum of sale, agreement to sell or sales ticket must show:

- (a) The date of the transaction which it evidences.
- (b) The name of the seller.
- (c) The stock to which it relates and the number of shares thereof; and all such memorandum of sale or sales ticket as are not used for the purpose of transfer must be kept by the broker for two years from their respective dates.
- (d) And an identifying number as provided by section 270.

13. All persons liable for the payment of the tax and all persons acting as agents or brokers for any such persons or for the corporation whose stock is transferred, who in any manner assists in consummating a sale or transfer without payment of the required tax, are guilty of a misdemeanor.

14. Likewise corporations, and persons acting as transfer agents for corporations, are forbidden to transfer stock on the books of the corporation until the required tax has been paid; and for a failure to perform this duty they are guilty of a misdemeanor.

15. Every stamp used to denote the payment of the tax must be canceled by the user by writing or stamping thereon the initials of his name and the date upon which the stamp is attached or used. He must also cut or perforate the stamp in a substantial manner so that it cannot again be used. A failure so to do renders the party guilty of a misdemeanor.

16. Under no circumstances may a stamp erroneously attached to a certificate or memorandum be removed. An adequate remedy in such cases, in the nature of a refund, is provided by section 280 of the act.

17. Every broker is required to keep a just and true book of account in the form prescribed by the Comptroller (see form designated "account book to be kept by brokers" on page 2) wherein shall be plainly and legibly recorded in separate columns:

- (a) The date of making every sale, agreement to sell, delivery or transfer of shares or certificates of stock.
- (b) The name of the stock and the number of shares thereof.
- (c) The face value thereof.
- (d) The name of the seller or transferrer.
- (e) The name of the purchaser or transferee.
- (f) The identifying number of the bill or memorandum of sales as provided by section 270.

These books must be kept for a period of at least two years subsequent to the date of such entry made therein and are subject to examination by the Comptroller or his representatives at all times between 10 A. M. and 3 P. M. (Saturdays, Sundays and legal holidays excepted.)

18. Every corporation or its transfer agent shall keep a just and true book of account in the form prescribed by the Comptroller, wherein shall be plainly and legibly recorded in separate columns:

- (a) The date of making every transfer of stock.
- (b) The name of the stock and the number of shares thereof.
- (c) The serial number of each surrendered certificate.
- (d) The name of the party surrendering each certificate.
- (e) The serial number of the certificate issued in exchange therefor.
- (f) The number of shares represented by said certificate.
- (g) The name of the party to whom said certificate was issued.
- (h) The evidence of the payment of the tax as provided by section 276.

It shall also keep and retain a stock certificate book and all surrendered or canceled shares or certificates of its stock and memoranda relating to the sale thereof for a period of two years from the date of the delivery thereof.

All such books and papers are subject to the examination by the Comptroller or his representative at any time between the hours of 10 A. M. and 3 P. M. (Saturdays, Sundays and legal holidays excepted.)

19. It is imperative that these books, records and memoranda be kept and retained strictly in the form and manner provided by the statute and severe penalties are imposed for a failure so to do.

20. Severe penalties, civil and criminal, are also provided by the act for the illegal sale or use of stamps, for the removal or re-use thereof, for the failure to pay the tax imposed and for the violation of the other requirements of the statute. Furthermore, the failure to pay the tax constitutes an absolute defense to an action to recover the purchase price of the stock.

21. Every person, firm, company, association or corporation engaged in whole or in part in the making or negotiating of sales, agreements to sell, deliveries or transfers of shares or certificates

of stock, or conducting or transacting a stock brokerage business, shall within ten days after July 1, 1913, or within ten days after engaging in such business, file with the State Comptroller, either in Albany or New York City, a certificate setting forth the name under which such business is or is to be conducted or transacted and the true and real full names of the person or persons conducting or transacting the same, with the post-office address or addresses of said persons, or in the event of a change in the persons conducting such business or change of address, like certificate setting forth the facts shall within ten days thereafter be filed. Such certificate shall be duly acknowledged. A failure to perform this duty is a misdemeanor.

22. Every stock association, company or corporation, which shall maintain a principal office or place of business within the state or which shall keep or cause to be kept within the State of New York a place for the sale, transfer or delivery of its stock shall within ten days after April 7, 1914, if such certificate shall not have been theretofore filed, or within ten days after engaging in or maintaining a place for such business, file with the State Comptroller, either in Albany or New York City, a certificate setting forth the name of the company, the place of business and when and where incorporated, or in the event of a change in the persons or change of address like certificate setting forth the facts shall within ten days thereafter be filed. Such certificates shall be duly acknowledged by the president or secretary of the corporation. A failure to perform this duty is a misdemeanor.

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PENNSYLVANIA.

(Revised and approved by the Auditor General's
Department.)

(1) General or State Taxes.

Various classes of business corporations are subject to the following state taxes:

. (a) Tax on Capital Stock.

This is levied on all joint stock associations, limited partnership associations, domestic and foreign corporations having capital stock and doing business or employing capital in Pennsylvania, except banks, savings institutions, title insurance or trust companies, building and loan associations and foreign insurance companies. It is assessed at the rate of five mills on each dollar (one-half per cent) on the total actual value of the corporation's capital stock, except that in the case of domestic fire and marine insurance companies the rate is three mills on the dollar (three-tenths per cent) and in the case of distilling companies ten mills on the dollar (one per cent). A report and appraisement must be made to the Auditor General by corporations liable to the tax between January 1 and February 28 in each year. The tax is thereupon determined or "settled" and a "settlement," i. e., statement of the tax due, is sent to each corporation, which has sixty days from the date of approval of settlement by the State Treasurer in which to either pay the tax or appeal from the settlement to the Court of Common Pleas of Dauphin county. Taxes remaining unpaid at the expiration of

this sixty-day period bear interest thereafter at the rate of 12% per annum:

So much of a corporation's capital stock as is represented by its property actually employed in manufacturing in Pennsylvania during the tax year is exempt from this tax, and a corporation whose entire assets are so employed is therefore wholly exempt.

(b) Tax on Corporate Loans.

The bonds or other obligations of domestic corporations and foreign corporations, registered and doing business in Pennsylvania, and whose treasurers reside in Pennsylvania, held by residents of Pennsylvania are subject to a tax of four mills on the dollar (two-fifths per cent) of the par or face value thereof. This tax must be collected by the treasurers of the corporations which issue the bonds or other obligations, by deducting it from the interest paid thereon. The holders of such obligations are then exempt from the payment of further taxes on them. In the event of the failure of the treasurer so to deduct the tax from interest payments, the corporation itself becomes liable for the amount of tax.

Certain classes of corporate loans are, however, exempt from this tax, as follows:

1. Obligations held in their own right (i. e., not as trustee, pledgee, etc.), by corporations paying a tax on their capital stock, or specifically exempted therefrom.

2. Obligations held by national banks.

3. Notes discounted or negotiated by incorporated banks, savings institutions or trust companies.

4. Obligations held by nonresidents of Pennsylvania in their own right.

5. Obligations held and owned by institutions of purely public charity.

6. Obligations held and owned by building and loan associations, given them by members of their association.

7. Obligations on which no interest has been paid during the tax year.

8. Short time promissory notes given for current indebtedness.

9. Obligations held by trust companies collecting and paying the tax on their stock on or before the first day of March in each year; and by state banks paying tax at the four mill rate on or before the first day of March in each year.

10. Obligations assumed when the grantor or mortgagor is an individual.

A report of corporate loans, which in practice is coupled with the capital stock tax report, must be made to the Auditor General annually between January 1 and February 28, whether the reporting corporation has any outstanding loans or not. On the basis of this report the tax is settled and is payable in the same manner and within the same time from date of approval of settlement as the capital stock tax.

(c) Bonus.

All domestic business corporations and limited partnership associations except building and loan associations are required to pay at the time of organization a bonus of one-third per cent of their authorized capital stock, and a like bonus upon any subsequent increases thereof. Foreign corporations, except foreign insurance companies, pay the same bonus upon the amount of their capital actually invested or employed

wholly within the State of Pennsylvania and upon each increase thereof. This bonus is only payable once upon any given portion of the capital, but all foreign corporations included in the above classes must make an annual report, as to their capital, etc., and must pay the bonus on all increases of capital employed in the state as such increases may appear from year to year.

The courts of Pennsylvania have held that "bonus" is not, strictly speaking, a tax, but is a consideration for privileges granted by the commonwealth.

(d) Tax on Bank Stock.

Every national and state bank and every savings bank in Pennsylvania must make a report to the Auditor General annually on or before June 20, stating the number of shares subscribed for or issued and the actual value thereof, determined as prescribed in said report. A tax is thereupon assessed on said shares at the rate of four mills on the dollar (two-fifths per cent) and a copy of the assessment or settlement is sent to the bank. It is then the duty of the bank officials to post such settlement in a conspicuous place in the bank so as to give notice to the stockholders of such valuation and settlement, and within forty days thereafter to either collect the tax from the shareholders or to pay it out of the bank's general funds.

However, any corporation subject to this tax may elect to collect annually from its shareholders a tax of four mills on the dollar (two-fifths per cent) on the actual value of its shares (computed as prescribed in the report above referred to) and pay the same into the State Treasury on or before March 1; or it may elect to collect annually from its stockholders a tax of ten mills on the dollar (one per cent) upon the *par*

value of its shares subscribed for or issued, and pay this amount into the State Treasury on or before the first of March. Banks adopting either of the methods of payment before March first are required to file a report and pay the tax on or before March first in each year and also a written notice that they elect this method. They are not required, in such case, to file another report before June 20.

The tax on title insurance or trust companies is computed on the actual value of their shares, determined in the same way as in the case of banks and upon a report which they also must file on or before June 20. The rate of tax, however, is five mills on the dollar (one-half per cent). They also have the right to file a report and pay the tax before March first, if they so prefer. There is no provision, however, for paying the tax on the basis of par value, as in the case of banks.

(e) Other State Taxes.

Domestic stock insurance companies, in addition to the capital stock tax, are assessed eight-tenths of one per cent on the gross amount of premiums and assessments received from business transacted in Pennsylvania. The tax is based on reports made by such companies to the Auditor General semi-annually in the months of January and July, and is payable within sixty days after approval of settlement by the State Treasurer, the same as the capital stock tax.

Foreign insurance companies are taxed two per cent on the gross premiums received from business done in Pennsylvania. In the month of January they make a report of such premiums, covering the preceding calendar year, to the Commissioner of Insurance and the tax is payable at the same time.

A tax "equal to that required to be paid on money at interest by the general tax laws of this state"—i. e., four mills on the dollar (two-fifths per cent)—is levied upon the fully paid, prepaid or matured stock of building and loan associations upon which dividends or interest has been paid. The tax is collected by each association and deducted from the dividends paid on the stock. Reports of the amount of matured stock outstanding, covering the preceding calendar year, are made by such associations to the Auditor General as soon after December 31 as circumstances will permit, and the tax is thereafter payable within thirty days after approval of settlement by the Auditor General and State Treasurer.

All business corporations not paying the capital stock tax (except banks, savings institutions, title insurance or trust companies, building and loan associations and foreign insurance companies) are required to pay a tax of three per cent on their annual net earnings and in addition the same tax as individuals (four-tenths per cent) upon their personal property. Such corporations report their net income annually to the Auditor General on the first Monday of November, and the tax is payable within sixty days thereafter.

Foreign and domestic mercantile corporations having a store or warehouse apart from their factory at which they sell their goods pay an annual license tax of \$2.00 plus one-tenth per cent of their gross receipts if retailers, and \$3.00 plus one-twentieth per cent of such receipts if wholesalers. The tax is levied on the whole volume of business done during the preceding calendar year, including cash receipts and merchandise sold on credit. The amount of tax is determined by a report made on receipt of blanks from the "mercan-

tile appraisers ' and is payable on July 1. This tax is not peculiar to corporations, but is levied on individuals also.

(A tax on gross receipts is levied on public service corporations of various kinds. As they do not come within the scope of this book, discussion of this tax is omitted.)

(2) Local Taxes.

Corporations are not subject to local taxes on their personal property, except horses and cattle over four years of age. Their real estate is assessed and taxed in the same manner as that of individuals. Machinery so attached as to become a fixture is taxed as real estate (*Patterson v. Del. Co.*, 70 Pa. 381).

County taxes are collected on the basis of an assessment made every third year under the authority of the commissioners of the several counties. Written notice of the assessment is given to each taxpayer and a date is fixed on which he may appear before the county commissioners, if dissatisfied, and seek to have the assessment corrected. An appeal from their decision is permitted to the Court of Common Pleas of the proper county. The date of assessment and the date when taxes are payable varies in the different counties, and no general statement can be made in regard to them.

Cities of the third class, to which class all cities in Pennsylvania belong except Philadelphia, Pittsburgh, Allegheny and Scranton, are empowered to levy taxes not exceeding one per cent for general revenue purposes. Assessments are made every third year as in the case of county taxes, and taxpayers have the right

to appeal to a board of appeals appointed by the city council.

Philadelphia, Pittsburgh, Allegheny and Scranton have very complicated systems of local taxation, but the property subject to tax is, on the whole, the same as that subject to county taxation.

A tax of 25% is imposed on all payments of wages to employees which are made in the form of store orders, credit vouchers, etc., which are not redeemed in cash within 30 days after they are issued. This tax was intentionally made so heavy as practically to forbid the payment of wages in this form.

By the Act of June 1, 1915, P. L. 721, a tax was levied on each ton of anthracite coal mined in Pennsylvania. This tax, however, has been held to be unconstitutional by the Dauphin County Court in the case of *Com. v. Locust Mt. Coal Co.*, 15 Com. Docket, 1917. No appeal was taken to the Supreme Court on account of its former decision, involving construction of a similar statute, in the case of *Com. v. Alden Coal Co.*, 251 Pa. St. 134.

(3) Stock Transfer Tax.

Rulings which show the nature and method of operation of this tax have been made by the Auditor General pursuant to rulings by the Attorney General. These are practically identical in language with rulings construing a similar tax made by the State Comptroller of New York and reproduced herein on pages 275-279, to which the reader is referred.

PART IV.

FORMS OF CORPORATE REPORTS.

GENERAL SUGGESTIONS FOR PREPARATION OF REPORTS.

Whenever it is humanly possible to do so, reports should be filled out in typewriting. Some state officials require this and all state officials appreciate it, for penmanship which seems as legible as copper-plate to the writer often presents a dark and obscure problem to the unfortunate official who has to read it.

Always keep a copy of every report filed. Two blanks are usually sent by the department requiring the report, and may always be had for the asking if not sent in the first place. The copy retained should be completely filled out, with all dates, signatures, etc., and filed for future reference.

When the answer to any item in a report is "No," "None" or "Nothing," write in the appropriate word and do not leave the space blank or merely draw a dash or wave line. Failure to observe this rule will sometimes result in a report being returned for correction.

Do not put off the filing of reports until the last permissible moment. When a report is due on July 1 there is nothing to be gained by waiting until the afternoon of June 30 and then mailing it by special delivery. On the contrary such procedure adds to the burdens of the official to whom the report is sent and

sometimes results in its not receiving proper attention. Moreover, if it is found to be incorrect in any way, there is no time left in which to rectify it.

Many reports must be signed by two specified corporate officers, as for example, the president and treasurer. It sometimes happens that both of these offices are held by the same person. In such case the person holding both offices should sign in one of the two spaces provided for signatures in the report, noting under his signature the fact that he holds both offices, and any other officer of the corporation should sign in the other space, giving his official title. In other words, a report which is supposed to be signed by two officers should never be filed with the signature of only one on it, even though that one holds both the positions called for in the report.

Fees or taxes, no matter how small, should be paid either by bank draft, postal money order or certified check. Many state departments will not accept postage stamps or uncertified checks, and the safest rule is not to use them at all.

Reports which must be executed before a notary public, commissioner of deeds, or other similar officer, if executed in a state other than the state in which they are to be filed must have affixed to them before filing a certificate as to the genuineness of the signature of the notary or commissioner. In most states this certificate is obtainable from the clerk of the county in which the report is executed, and is called a "County Clerk's certificate." Failure to procure it will usually result in the report being rejected by the official to whom it is sent.

It is a good idea, when a corporation is first organized, for the treasurer or other financial officer to open

an account book in which to record reports and taxes required from that corporation. A separate page should be given to each report, whether a tax report or not. At the top of the page the state and the name of the report should be entered, and the page should be divided into columns in which to enter the year for which the report is made, the date of filing it and of paying fee, in case any is required, date of receipt of tax bill (if it is a tax report), date of paying tax, method of payment (certified check, money order, etc.), and date of getting receipted bill. If this plan is followed there is always readily available a complete record of the status of the corporation as to its reports and taxes.

When reports are filed by mail it is advisable to register them and also to enclose a postal card addressed to the company from which the report is sent and having written on it an acknowledgment of receipt of the report, which the official to whom the report is sent can sign and mail back.

Failure to receive blanks will never excuse a corporation for not making any report or certificate required from it. If blanks are not received, it is the duty of the corporation to apply to the proper official for them.

WHEN CORPORATE EXISTENCE BEGINS.

In many official reports, corporations are required to state the date of their organization—that is, the beginning of their existence as corporations. The laws of the principal incorporating states provide for determining this date as follows:

DELAWARE.

Upon making the certificate of incorporation and causing the same to be filed (with the Secretary of State) and a certified copy thereof recorded (with the Recorder of the county in which the corporation's principal office is to be located) as aforesaid, and paying the license tax therefor to the Secretary of State, the persons so associating, their successors and assigns, shall from the date of such filing be and constitute a body corporate, by the name set forth in said certificate. . . . (General Corporation Law, Art. 1, Sec. 7.)

MAINE.

From the time of filing the copy of such certificate (the certificate of incorporation) in the Secretary of State's office, the signers of said articles and their successors and assigns shall be a corporation. . . . (Revised Statutes 1916, Chap. 51, Sec. 11.)

MASSACHUSETTS.

. . . the existence of every corporation which is not created by special law shall begin upon the filing of the articles of organization (corresponding to the certificate of incorporation) in the office of the Secretary of the Commonwealth. . . . (Laws 1903, Chap. 437, Sec. 12.)

NEW JERSEY.

Upon making the certificate of incorporation and causing the same to be recorded (with the Clerk of the county where the corporation's principal office is to be located) and filed (with the Secre-

tary of State) as aforesaid, the persons so associating, their successors and assigns, shall, from the date of such filing, be and constitute a body corporate by the name set forth in said certificate. . . . (Laws 1896, Chap. 185, Sec. 10.)

NEW YORK.

Corporate existence begins when the original certificate of incorporation is filed with the Secretary of State. (General Corporation Law, Sec. 5, Sub. 1.)

PENNSYLVANIA.

From the time of recording the charter in the office of the Recorder of Deeds (of the county in which the corporation's principal operations are to be carried on) the subscribers thereto, and their associates and successors, shall be a corporation, for the purposes and upon the terms named in the said charter. (Corporation Act of 1874, Sec. 3.)

NOTES ON FEDERAL INCOME TAX RETURNS.

In addition to the requirement to file a return of their own net income, excess profits, etc., a two-fold supplementary obligation is imposed on corporations by the income tax law (Revenue Act of 1918): First, to deduct the tax from certain corporate payments and to pay over the same to the government, accompanied by proper certificates and returns; second, to make returns of information as to certain payments made by them. These two supplementary obligations are analysed in the following pages.

Analysis of Requirements of Income Tax Law as to Withholding Tax by Corporations and Use of Ownership Certificates.

COLUMN 1. CONDITIONS UNDER WHICH OBLIGATION IS IMPOSED ON CORPORATIONS.	COLUMN 2. REQUIREMENTS AS TO WITHHOLDING TAX BY CORPORATIONS UNDER CONDITIONS STATED IN COLUMN 1.	COLUMN 3. REQUIREMENTS TO BE OBSERVED BY RECIPIENTS OF PAYMENTS REFERRED TO IN COLUMN 1. (See Note 2.)	COLUMN 4. RETURNS TO BE MADE BY CORPORATIONS RELATING TO PAYMENTS REFERRED TO IN COLUMN 1.
1. When payments of rent, salaries, wages, premiums, annuities or other fixed or determinable annual or periodical gains or income (other than dividends and interest on corporate bonds, mortgages or similar obligations) are made to nonresident alien individuals. (See Notes 3, 7.)	1. Must withhold tax of 8% thereon and pay it to Collector of District in which corporation's principal office is located on or before June 15 in each year.	1. No requirements.	1. Must file form 1042 annually before March 1, accompanied by a separate return on form 1098 for each such alien to whom such payments were made during the preceding taxable year. These returns are to be filed with the Collector of the District in which the principal office of the corporation is located. (Regulations 45, Art. 367.)
2. When payments of classes specified in Item 1 above are made to foreign corporations not engaged in business or trade in U. S. and having no office or place of business therein.	2. Must withhold tax of 10% thereon and pay it to Collector as specified in Item 1 above.	2. No requirements.	2. Same returns required as specified in Item 1 above. A single return on form 1042 may be filed to cover both this item and Item 1.
3. When payments of interest on corporate bonds, mortgages or similar obligations not containing a so-called "tax free covenant" are made to nonresident alien individuals or to foreign corporations not engaged in business or trade in U. S. and having no office or place of business therein. (See Notes 3, 4, 6, 7.)	3. Must withhold tax of 8% in case of nonresident alien individuals and 10% in case of foreign corporations not engaged in business in U. S. and having no office therein, and pay it to Collector as specified in Item 1 above.	3. Must attach ownership certificate on form 1000 to coupons when presenting them for payment. (Regulations 45, Art. 364.)	3. Must file form 1013 annually on or before March 1 and must also file monthly return on form 1012 before the 20th of each month covering taxes withheld during the preceding month. These monthly returns must be accompanied by the ownership certificates on form 1000 mentioned in Column 3, Item 3. All returns mentioned in this item must be filed with the collector of the District in which the principal office of the corporation is located. (See Note 4.)
4. When payments of interest on corporate bonds, mortgages or similar obligations containing a so-called "tax free covenant" are made to individuals or partnerships, whether citizens or aliens, residents or nonresidents, or to foreign corporations not engaged in business or trade in U. S. and having no office or place of business therein. (See Notes 4, 6.)	4. Must withhold tax of 2% except in case of individual citizens or resident aliens who file ownership certificate (form 1001) claiming personal exemption either when presenting coupons for payment or on or before February 1 following the taxable year.	4. Must attach ownership certificates to coupons when presenting them for payment as follows: a. Individual citizens or resident aliens who claim personal exemption must attach certificates on form 1001. Resident aliens should also attach residence certificate on form 1078. b. Individual citizens or resident aliens who do not claim personal exemption, partnerships, either resident or nonresident, nonresident alien individuals and foreign corporations not engaged in business or trade in U. S. and having no office or place of business therein must attach certificates on form 1000. (See Note 8.)	4. Must file annual return on form 1013 and monthly returns on form 1012 as specified in Item 3 above, the monthly returns to be accompanied by all ownership certificates on form 1000 mentioned in Column 3, Item 4b. Payments to individual citizens or resident aliens who have claimed personal exemption and filed ownership certificates on form 1001, as provided in Column 3, Item 4a, should not be included in the foregoing annual or monthly returns, but such payments should be reported and such certificates disposed of, together with residence certificates on form 1078, as provided in Item 5 below. (See Note 4.)
5. When payments of interest on corporate bonds, mortgages or similar obligations not containing tax free covenant are made to individual citizens, resident or nonresident partnerships, resident aliens, domestic corporations or foreign corporations engaged in business or trade in U. S. or having an office or place of business therein. (See Notes 1, 5.)	5. No requirements as to withholding tax.	5. Must attach ownership certificates on form 1001 to interest coupons when presenting them for payment.	5. Must file form 1096B annually on or before March 15 and must also file monthly return on form 1096A on or before the 20th of each month covering payments made during the preceding month. These monthly returns must be accompanied by all ownership certificates on form 1001 and all certificates of residence mentioned in Column 3, Items 4a, 5 and 6. All returns mentioned in this item must be filed with the Commissioner of Internal Revenue (Sorting Division), Washington, D. C.
6. When payments of interest on corporate bonds, mortgages or similar obligations containing tax free covenant are made to domestic corporations or foreign corporations engaged in business or trade in U. S. or having an office or place of business therein. (See Notes 1, 5, 6.)	6. No requirements as to withholding tax.	6. Must attach ownership certificate on form 1001 to interest coupons when presenting them for payment.	6. Same requirements as set forth in Item 5 above, which see.

NOTES ON PRECEDING ANALYSIS.

Note 1. Withholding Tax on Corporate Income.—Corporations are not required to withhold tax upon interest paid by them to other domestic or resident foreign corporations, nor upon dividends paid by them either to individuals or corporations, and no returns of dividends paid are required unless specially requested by the Commissioner of Internal Revenue. Conversely, no tax is withheld upon interest or dividends which a corporation receives from another domestic or resident foreign corporation, although when bond-coupons are presented for payment the corporation which owns the bonds must file with them an ownership certificate on form 1001 (Reg. 45, Arts. 362, 365). These certificates must in like manner be filed by corporations which own either stocks or bonds of nonresident foreign corporations when presenting dividend checks or interest coupons for payment.

Note 2. When Ownership Certificates Not Required.—No ownership certificates need ever be filed in the case of interest on United States, state, county, municipal or similar bonds, bonds issued by the War Finance Corporation or under the provisions of the Federal Farm Loan Act.

Note 3. Withholding in the Case of Enemies.—Payments made after October 6, 1917, to the alien property custodian are in the same category as payments made to, or for citizens or residents of the United States. Withholding at the source is accordingly unnecessary except in the case of interest payments on corporate

bonds or other obligations containing a tax-free covenant where no exemption is claimed. The alien property custodian should use form 1000 (revised) in collecting interest on bonds containing a tax-free covenant and in all other cases should use form 1001 (revised). No distinction is to be made between payments directly to the alien property custodian and to his depositaries and between interest on registered bonds and interest on coupon bonds. In the case of enemies or allies of enemies holding a license granted under the provisions of the Trading with the Enemy Act, withholding is required as in the case of any nonresident alien not an enemy or ally of enemy.

Note 4. Interest on Registered Bonds.—When tax must be withheld from interest on registered bonds (Col. 1, Items 3, 4 of analysis on pages 294-5) ownership certificates will ordinarily not be obtainable. The corporation paying the interest will in such circumstances prepare a certificate on form 1000 for each such payment and will forward them to the Collector with return form 1012 (referred to in Col. 4, Items 3, 4 of above analysis). When used in this way form 1000 need not be signed.

Note 5. In the case of interest on registered bonds where no tax is to be withheld (Col. 1, Items 5, 6) the corporation paying the interest will in like manner prepare a certificate on form 1001 for each such payment and will forward them to the Commissioner of Internal Revenue (Sorting Division), Washington, D. C., with return form 1096A as directed in Col. 4, Item 5.

Note 6. **Definition of "Tax Free Covenant."**—"A contract or provision by which the obligor agrees to pay any portion of the tax imposed by this title upon the obligee, or to reimburse the obligee for any portion of the tax, or to pay the interest without deduction for any tax which the obligor may be required or permitted to pay thereon or to retain therefrom under any law of the United States " (Revenue Act of 1918, Sec. 221b). Bonds issued under a trust deed containing a tax free covenant are to be treated as if the bonds themselves contained such a covenant (Regulations 45, Art. 361).

Note 7. **Nonresident Alien Individuals.**—"Nonresident alien individual " means an individual (a) whose residence is not within the United States, and (b) who is not a citizen of the United States. Any alien living in the United States who is not a mere transient is a resident of the United States for purposes of the income tax. Whether he is a transient or not is determined by his intentions with regard to his stay. The best evidence of such intentions is afforded by the conduct, acts, and declarations of the alien. The typical transient is one who stops for a short time in the course of a journey through the United States, sometimes performing labor, sometimes not, or one who enters the United States intending only to stop long enough to carry out some purpose, object, or plan not involving an extended stay. A mere floating intention, indefinite as to time, to return to another country is not sufficient to constitute him a transient.

Aliens employed in the United States are *prima facie* regarded as nonresidents. If wages are paid without withholding the tax, the employer should be

provided with written proof of facts which overcome the presumption that such alien is a nonresident. Such facts include the following: (a) If an alien has been living in the United States for as much as one year immediately prior to the time he entered the employment of the withholding agent, or if he has been regularly employed by a resident (individual or corporation) in the same county for as much as three months immediately prior, he may be treated as a resident in the absence of facts known to the employer showing that he is in fact a transient, such as one of the types mentioned in the preceding paragraph. The facts with regard to the length of time the alien has thus lived in the country or county and has been so regularly employed may be established by the certificate of the alien. (b) The employer may also obtain evidence to overcome the *prima facie* presumption of nonresidence by securing from the alien form 1078 (revised), properly executed, or an equivalent certificate of the alien establishing residence. Having secured such evidence from the alien, the employer may rely thereon unless the statement of the alien was false and the employer has reasonable cause to believe it false, and may continue to rely thereon until the alien ceases to be a resident under the provisions of article 313. An employer who seeks to account for failure to withhold in the past, if he did not secure form 1078 (revised) or its equivalent at the time, is permitted to prove the former status of the alien by any material evidence (Reg. 45, Arts. 311, 314).

Note 8. Personal Exemption.—This refers to the specific exemption allowed to individual citizens and resident aliens of \$1,000 if single and \$2,000 if married

and living with husband or wife or if the head of a family, plus \$200 for each dependent. This exemption may be apportioned and applied at will against any of the items composing a taxpayer's income, but so much of the exemption as is applied against interest on corporate bonds, etc., cannot of course be applied against other items or against income generally.

RETURNS OF INFORMATION.

All corporations making payment to another individual citizen or partnership, resident alien or domestic or resident foreign corporation of fixed or determinable income of \$1,000 or more during a taxable year, whatever may be the nature of such income, must render a return thereof on form 1099 to the Commissioner of Internal Revenue (Sorting Division), Washington, D. C., for the preceding taxable year annually on or before March 15. A separate return must be filed for each person or corporation to whom such payments were made, and these returns must be accompanied by a so-called "letter of transmittal" on form 1096. Where the present address of the recipient of payments is not available, the last known post-office address must be given (Reg. 45, Art. 1071).

Art. 1072.

The names of all employees to whom payments exceeding \$1,000 a year are made, whether such total sum is made up of wages, salaries, commissions or compensation in any other form, must be reported. Heads of branch offices and subcontractors employing labor, who keep the only complete record of payments therefor, should file returns of information in regard to such payments directly with the Commissioner. When both main office and branch office have adequate records, the return should be filed by the main

office. In the case of an employer having a large number of employees who are moved from place to place as the exigencies of the service require and who consequently has no complete record of annual payments to them at any one place, the salary of two representative months may be taken to establish a fair monthly wage, and unless the yearly payment based on this estimate in the case of an employee amounts to \$1,000 or more, no return of payments to such employee is required. When living quarters such as camps are furnished for the convenience of the employer, the ratable cost need not be added to the cash compensation of the employee in determining whether it equals \$1,000 annually. But where a person receives as compensation for services rendered a salary and in addition thereto living quarters, the value to such person of the quarters furnished constitutes income subject to tax, and a return of information is required in such case where the cash compensation received plus the value of living quarters furnished equals \$1,000 for the year.

Art. 1073.

Payments of the following character, although over \$1,000, need not be reported in returns of information on form 1099 (revised): (a) payments of interest on obligations of the United States; (b) dividends paid by domestic or resident corporations; (c) payments by a broker to his customers; (d) payments made to corporations; (e) bills paid for merchandise, telegrams, telephone, freight, storage and similar charges; (f) payments to employees for board and lodging while traveling in the course of their employment; (g) annuities representing the return of capital; (h) payments of rent made to real estate agents (but the agent must report payments to the landlord if they amount to \$1,000 or more annually; (i) payments made by branches of business houses located in foreign countries to alien employees serving in foreign countries; and (j) payments made by the United States Government to sailors and soldiers not in excess of \$3,500.

Returns of information are also required in the case of payments of \$1,000 or over to nonresident alien individuals and foreign corporations not engaged in business or trade in the United States and having no

office or place of business therein. As to such payments, however, it is held that the returns filed in connection with withholding the tax thereon (see Col. 4, Items 1, 2 of analysis on pages 294-5) constitute a sufficient return of information (Reg. 45, Art. 1075).

The law provides (Sec. 256) that similar returns of information may be required, regardless of the amount of the payment, in the case of payments of interest on bonds or similar obligations of domestic or resident foreign corporations, but as to such payment it is held that the ownership certificates on forms 1000 and 1001, filed in connection therewith (see Col. 4, Items 3, 4, 5, 6 of analysis on pages 294-5) constitute a sufficient return.

FEDERAL INCOME AND EXCESS PROFITS TAX RETURN.

The amount of income tax, excess profits tax and war profits tax assessed against a corporation depends upon the relation between its net income and its invested capital during (a) the taxable year, i. e., the year covering which the return is made, and (b) the so-called "pre-war period," i. e., the years 1911, 1912 and 1913 or such of them during the whole of which the corporation was in existence. The invested capital for these periods is not necessarily the same as the total capital, surplus and undivided profits shown by the corporate books, because in some instances the Government permits certain items to be added to this total, and on the other hand requires certain items to be deducted therefrom.

It is for these reasons that a large part of the Corporation Income and Excess Profits Tax Return is de-

voted to the data and computations required in order to arrive at the invested capital. In the great majority of cases it will be found necessary to enlist the aid of a competent attorney or expert accountant to insure proper preparation of the return, for no written instructions can adequately solve the innumerable problems peculiar to individual corporations which arise in connection therewith. Certain sections of the law and of the governmental regulations construing it will, however, be found helpful. The following pages contain the text of all the sections and regulations referred to in the printed form of return, grouped under the various schedules and other headings of the return in which they are mentioned, and in the order in which they are referred to. In each case "Sec." refers to a section of the law (Revenue Act of 1918) and "Art." to an article of the regulations (Regulations 45, Revised).

Schedule IV. Computation of Taxes.

Sec. 238.

(a) That in the case of a domestic corporation the total taxes imposed for the taxable year by this title and by Title III shall be credited with the amount of any income, war-profits and excess-profits taxes paid during the taxable year to any foreign country, upon income derived from sources therein, or to any possession of the United States.

If accrued taxes when paid differ from the amounts claimed as credits by the corporation, or if any tax paid is refunded in whole or in part, the corporation shall at once notify the Commissioner who shall redetermine the amount of the taxes due under this title and under Title III for the year or years affected, and the amount of taxes due upon such redetermination, if any, shall be paid by the corporation upon notice and demand by the collector, or the amount of taxes overpaid, if any, shall be credited or refunded to the corporation in accordance with the provisions of section 252.

In the case of such a tax accrued but not paid, the Commissioner as a condition precedent to the allowance of this credit may require the corporation to give a bond with sureties satisfactory to and to be approved by him in such penal sum as he may require, conditioned for the payment by the taxpayer of any amount of taxes found due upon any such redetermination; and the bond herein prescribed shall contain such further conditions as the Commissioner may require.

(b) This credit shall be allowed only if the taxpayer furnishes evidence satisfactory to the Commissioner showing the amount of income derived from sources within such foreign country or such possession of the United States, as the case may be, and all other information necessary for the computation of such credit.

(c) If a domestic corporation makes a return for a fiscal year beginning in 1917 and ending in 1918, only that proportion of this credit shall be allowed which the part of such period within the calendar year 1918 bears to the entire period.

Sec. 240.

(c) For the purposes of section 238 a domestic corporation which owns a majority of the voting stock of a foreign corporation shall be deemed to have paid the same proportion of any income, war-profits and excess-profits taxes paid (but not including taxes accrued) by such foreign corporation during the taxable year to any foreign country or to any possession of the United States upon income derived from sources without the United States, which the amount of any dividends (not deductible under section 234) received by such domestic corporation from such foreign corporation during the taxable year bears to the total taxable income of such foreign corporation upon or with respect to which such taxes were paid: Provided, That in no such case shall the amount of the credit for such taxes exceed the amount of such dividends (not deductible under section 234) received by such domestic corporation during the taxable year.

Sec. 301. (a) That in lieu of the tax imposed by Title II of the Revenue Act of 1917, but in addition to the other taxes imposed by this Act, there shall be levied, collected, and paid for the taxable year 1918 upon the net income of every corporation a tax equal to the sum of the following:

First Bracket.

30 per centum of the amount of the net income in excess of the excess-profits credit (determined under section 312) and not in excess of 20 per centum of the invested capital;

Second Bracket.

65 per centum of the amount of the net income in excess of 20 per centum of the invested capital;

Third Bracket.

The sum, if any, by which 80 per centum of the amount of the net income in excess of the war-profits credit (determined under section 311) exceeds the amount of the tax computed under the first and second brackets.

Sec. 302. That the tax imposed by subdivision (a) of section 301 shall in no case be more than 30 per centum of the amount of the net income in excess of \$3,000 and not in excess of \$20,000, plus 80 per centum of the amount of the net income in excess of \$20,000; the tax imposed by subdivision (b) of section 301 shall in no case be more than 20 per centum of the amount of the net income in excess of \$3,000 and not in excess of \$20,000, plus 40 per centum of the amount of the net income in excess of \$20,000; and the above limitations shall apply to the taxes computed under subdivisions (a) and (b) of section 301, respectively, when used in subdivision (c) of that section. Nothing in this section shall be construed in such manner as to increase the tax imposed by section 301.

Sec. 303. That if part of the net income of a corporation is derived (1) from a trade or business (or a branch of a trade or business) in which the employment of capital is necessary, and (2) a part (constituting not less than 30 per centum of its total net income) is derived from a separate trade or business (or a distinctly separate branch of the trade or business) which if constituting the sole trade or business would bring it within the class of "personal service corporations," then (under regulations prescribed by the Commissioner with the approval of the Secretary) the tax upon the first part of such net income shall be separately computed (allowing in such computation only the same proportionate part of the credits authorized in sections 311 and 312), and the tax upon the

second part shall be the same percentage thereof as the tax so computed upon the first part is of such first part: Provided, That the tax upon such second part shall in no case be less than 20 per centum thereof, unless the tax upon the entire net income, if computed without benefit of this section, would constitute less than 20 per centum of such entire net income, in which event the tax shall be determined upon the entire net income, without reference to this section, as other taxes are determined under this title. The total tax computed under this section shall be subject to the limitations provided in section 302.

Sec. 304. (c) In the case of any corporation engaged in the mining of gold, the portion of the net income derived from the mining of gold shall be exempt from the tax imposed by this title, and the tax on the remaining portion of the net income shall be the proportion of a tax computed without the benefit of this subdivision which such remaining portion of the net income bears to the entire net income.

Sec. 337. That in the case of a bona fide sale of mines, oil or gas wells, or any interest therein, where the principal value of the property has been demonstrated by prospecting or exploration and discovery work done by the taxpayer, the portion of the tax imposed by this title attributable to such sale shall not exceed 20 per centum of the selling price of such property or interest.

Schedule A. Taxable Net Income.

(For text of Sec. 238, see under Schedule IV, above.)

Schedule A2. Cost of Goods Sold.

Art. 1581. Need of inventories. In order to reflect the net income correctly, inventories at the beginning and ending of each year are necessary in every case in which the production, purchase or sale of merchandise is an income-producing factor. The inventory should include raw materials and supplies on hand that have been acquired for sale, consumption or use in productive processes, together with all finished or partly finished goods. Title to the merchandise included in the inventory should be vested in the taxpayer and goods merely ordered for future delivery and for which no

transfer of title has been effected should be excluded. The inventory should include merchandise sold but not shipped to the customer at the date of the inventory, together with any merchandise out upon consignment, but if such goods have been included in the sales of the taxable year they should not be taken in the inventory. It should also include merchandise purchased, although not actually received, to which title has passed to the purchaser. In this regard care should be exercised to take into the accounts all invoices or other charges in respect of merchandise properly included in the inventory, but which is in transit or for other reasons has not been reduced to physical possession.

Art. 1582. Valuation of inventories. Inventories should be valued at (a) cost or (b) cost or market whichever is lower. Whichever basis is adopted must be applied to each item and not merely to the total of the inventory; that is, if for instance basis (b) is adopted, the value of each item in the inventory will be measured by market if that is lower than cost, or by cost if that is lower than market. A taxpayer may, regardless of his past practice, adopt the basis of cost or market, whichever is lower, for his 1918 inventory, provided a disclosure of the fact and that it represents a change is made in the return. Thereafter changes can be made only after permission is secured from the Commissioner. But see article 1585 for inventories by dealers in securities. Inventories should be recorded in a legible manner and properly computed and summarized, and should be preserved as a part of the accounting records of the taxpayer. Goods taken in the inventory which have been so intermingled that they can not be identified with specific invoices will be deemed to be the goods most recently purchased.

Art. 1583. Inventories at cost. Cost means:

(1) In the case of merchandise purchased, the invoice price less trade or other discounts except strictly cash discounts approximating a fair interest rate, which may be deducted or not at the option of the taxpayer provided a consistent course is followed. To this net invoice price should be added transportation or other necessary charges incurred in acquiring possession of the goods.

(2) In the case of merchandise produced by the taxpayer, (a) the cost of raw materials and supplies entering into or consumed in connection with the product, (b) expenditures for direct labor, (c) indirect expenses incident to and necessary for the production

of the particular article, including in such indirect expenses a reasonable proportion of management expenses, but not including any cost of selling or return on capital whether by way of interest or profit. In any industry in which the usual rules for computation of cost of production are inapplicable, costs may be approximated upon such basis as may be reasonable and in conformity with established trade practice in the particular industry.

Art. 1584. Inventories at market. Market means the current bid price prevailing at the date of the inventory for the particular merchandise, and is applicable to goods purchased and on hand and to basic materials in goods in process of manufacture and in finished goods on hand, exclusive, however, of goods on hand or in process of manufacture for delivery upon firm sales contracts at fixed prices entered into before the date of the inventory. Where no open market quotations are available the taxpayer must use such evidence of a fair market price at the date or dates nearest the inventory as may be available to him, such as specific transactions in reasonable volume entered into in good faith, or compensation paid for cancellation of contracts for purchase commitments. The burden of proof will rest upon the taxpayer in each case to satisfy the Commissioner of the correctness of the prices adopted. It is recognized that in the latter part of 1918, by reason among other things of governmental control not having been relinquished, conditions were abnormal and in many commodities there was no such scale of trading as to establish a free market. In such a case, when a market has been established during the succeeding year, a claim may be filed for any loss sustained in accordance with the provisions of section 214 (a) (12) or section 234 (a) (14) of the statute. See articles 261-268.

Art. 1585. Inventories by dealers in securities. A dealer in securities who in his books of account regularly inventories unsold securities on hand either (a) at cost or (b) at cost or market value whichever is lower, may make his return upon the basis upon which his accounts are kept; provided that a description of the method employed shall be included in or attached to the return, that all the securities must be inventoried by the same method, and that such method must be adhered to in subsequent years, unless another be authorized by the Commissioner. For the purpose of this rule a dealer in securities is a merchant of securities, whether an individual,

partnership or corporation, with an established place of business, regularly engaged in the purchase of securities and their resale to customers, that is, one who as a merchant buys securities and sells them to customers with a view to the gains and profits that may be derived therefrom. If such business is simply a branch of the activities carried on by such person, the securities inventoried as here provided may include only those held for purposes of resale and not for investment. Taxpayers who buy and sell or hold securities for investment or speculation, and not in the course of an established business, and officers of corporations and members of partnerships, who in their individual capacities buy and sell securities, are not dealers in securities within the meaning of this rule.

Schedule A3. Gross Income from Operations, etc.

Art. 546. Income from leased property. Where a corporation has leased its property in consideration that the lessee shall pay in lieu of other rental an amount equivalent to a certain rate of dividend on the lessor's capital stock or the interest on the lessor's outstanding indebtedness, together with taxes, insurance or other fixed charges, such payments shall be considered rental payments and shall be returned by the lessor corporation as income, notwithstanding the fact that the dividends and interest are paid by the lessee directly to the stockholders and bondholders of the lessor. The fact that a corporation has conveyed or let its property and has parted with its management and control, or has ceased to engage in the business for which it was originally organized; will not relieve it from liability to the tax. While the payments made by the lessee directly to the bondholders or stockholders of the lessor are rentals as to both the lessee and lessor (rentals paid in one case and rentals received in the other), to the bondholders and the stockholders such amounts are interest and dividend payments received as from the lessor and as such shall be accounted for in their returns.

Art. 547. Gross income of corporation in liquidation. When a corporation is dissolved its affairs are usually wound up by a receiver or trustees in dissolution. The corporate existence is continued for the purpose of liquidating the assets and paying the

debts, and such receiver or trustees stand in the stead of the corporation for such purposes. Any sales of property by them are to be treated as if made by the corporation for the purpose of ascertaining the gain or loss. No gain or loss is realized by a corporation from the mere distribution of its assets in kind upon dissolution, however they may have appreciated or depreciated in value since their acquisition. See further articles 622 and 1548.

Schedule A19. Amortization of War Facilities.

Art. 181. Scope of provision for amortization. Any allowance made to a taxpayer by a contracting Department of the Government or by any other contractor for amortization or fall in the value of property, either as a part of the cost of production or as a part of the price of the product, shall be included in gross income. See article 52. The amount to be allowed as a deduction from gross income for amortization for the purpose of the tax is to be based upon the provisions of articles 181 to 188, pursuant to which the deduction should be made instead of upon the basis of any amounts contractually or otherwise determined. The allowance for amortization covers the decline in value of the property subject thereto and is inclusive of the depreciation which would ordinarily be allowable separately. Depreciation for any taxable period after December 31, 1917, should, therefore, not be claimed with respect to property as to which an allowance for amortization is claimed. See also section 204 of the statute and articles 1601-1603.

Art. 182. Property cost of which may be amortized. The taxpayer may make a reasonable deduction from gross income not in excess of a sum sufficient to extinguish the cost of buildings, machinery, equipment or other facilities constructed, erected, installed or acquired on or after April 6, 1917, for the production of articles contributing to the prosecution of the present war, and of vessels constructed or acquired on or after such date for the transportation of articles or men contributing to the prosecution of the present war. In the case of property the construction or installation of which was commenced before April 6, 1917, and completed subsequently to that date, amortization will be allowed with respect only to the cost incurred on or after April 6, 1917.

Art. 183. Cost recoverable through amortization. The total amount to be extinguished by amortization, in general, is the excess of the unextinguished or unrecovered cost of the property over its maximum value (either for sale or for use as part of the plant or equipment of a going business) under stable postwar conditions. Under the provisions of the statute authorizing re-examination of the claim at any time within three years after the termination of the present war, the allowance will be finally determined upon such basis. However, in many cases it will be impracticable during the calendar year 1919 to make final determination either of the length of the amortization period or of the value of the property under stable postwar conditions. Consequently, in returns made during the calendar year 1919 the amortization allowance will tentatively be determined in accordance with articles 184 and 185.

Art. 184. Cost which may be amortized. For the purpose of making returns in 1919 the total amount to be extinguished by amortization is the difference between the value of the property on the bases indicated below and the original cost of the property less any amounts otherwise deducted for depreciation, losses, etc., prior to January 1, 1918; or in the case of property acquired or completed after December 31, 1917, it is the difference between the value of the property on the basis indicated below and the cost of such property at the date of acquisition or completion.

(1) In the case of property useful only during the war period and permanently discarded at the date of the return the basis is the salvage value as of the date when the property was discarded.

(2) In the case of property still in use which will not be required for the future use of the business and which is certain to be permanently discarded before the last installment payment of the tax covered by the return the basis is the salvage value as of the date when the property will be permanently discarded.

(3) In the case of other property the basis is the estimated reproduction cost as of April, 1919, of such property in its then condition. In the final determination such cost will be ascertained under stable postwar conditions, without reference to such date.

A special record of all property falling in classes (1) and (2) must be preserved by the taxpayer and the Commissioner must be promptly advised (a) if such property is restored to use; (b)

the selling price if sold; and (c), if still on hand and not in use at the close of the three-year period, the reasons why such property has not been disposed of.

Art. 185. Method of amortization. For the purpose of making returns in 1919 the amount to be extinguished by amortization shall be spread in proportion to the net income (computed without benefit of the amortization allowance) between January 1, 1918, and the following dates: (a) if the claim is based on subdivision (1) of article 184, the date when the property was permanently discarded; (b) if the claim is based on subdivision (2) of article 184, the date upon which the property will be permanently discarded; and (c) if the claim is based upon subdivision (3) of article 184, April, 1919. All taxpayers claiming an allowance for amortization will be required to estimate the amount of their net income for the period between January 1, 1918, and the dates specified above, and also to estimate what part of such net income is properly allocable to the calendar year 1918 and what part thereof is properly allocable to the calendar year 1919. Such estimates shall be the basis for apportioning the amounts to be extinguished by amortization between the calendar years 1918 and 1919. Taxpayers reporting on the fiscal year basis (a) in all computations based upon 1918 rates shall use the amount of such allowance apportioned to the calendar year 1918; (b) in any computation based upon 1919 rates for a year beginning in 1918 and ending in 1919 shall use the amount of such allowance apportioned to the calendar year 1919; and (c) in any computation for a fiscal year beginning in 1919 shall use as many twelfths of the allowance apportioned to the calendar year 1919 as there are months of such fiscal year falling in the calendar year 1919.

Art. 186. Additional requirements for amortization. Claims for amortization must be unmistakably differentiated in the return from all other claims for wear, tear, obsolescence and loss. No such claim will be allowed unless it is reflected in any accounts submitted by the taxpayer to stockholders and in any credit statements by the taxpayer to banks, and is given full effect on his financial books of account. If Government or other contracts taken by the taxpayer contained recognition of amortization as an element in the cost of production, copies of such contracts shall be filed with the taxpayer's return, together with a statement and

description of any sums received on account of amortization and the basis upon which they were determined. In any case in which an allowance has been made for amortization of cost the taxpayer will not be allowed to restore to his invested capital for the purpose of the war profits and excess profits tax any portion of the amount covered by such allowance.

Art. 187. Redetermination of amortization allowance. A redetermination of the deduction allowed on account of amortization may, or at the request of the taxpayer shall, be made by the Commissioner at any time within three years after the termination of the present war, and if as a result of an appraisal or from other evidence it is found that the deduction originally allowed was incorrect, the amount of tax due for each taxable year during the amortization period will be adjusted by additional assessment or by refund.

Schedule E.

Sec. 326 (a) (2) Actual cash value of tangible property, other than cash, bona fide paid in for stock or shares, at the time of such payment, but in no case to exceed the par value of the original stock or shares specifically issued therefor, unless the actual cash value of such tangible property at the time paid in is shown to the satisfaction of the Commissioner to have been clearly and substantially in excess of such par value, in which case such excess shall be treated as paid-in surplus: Provided, That the Commissioner shall keep a record of all cases in which tangible property is included in invested capital at a value in excess of the stock or shares issued therefor, containing the name and address of each taxpayer, the business in which engaged, the amount of invested capital and net income shown by the return, the value of the tangible property at the time paid in, the par value of the stock or shares specifically issued therefor, and the amount included under this paragraph as paid-in surplus. The Commissioner shall furnish a copy of such record and other detailed information with respect to such cases when required by resolution of either House of Congress, without regard to the restrictions contained in section 257.

Art. 836. Tangible property paid in: value in excess of par value of stock. Evidence offered to support a claim for a paid-in

surplus must be as of the date of the payment, and may consist among other things of (a) an appraisal of the property by disinterested authorities made on or about the date of the transaction; (b) certification of the assessed value in the case of real estate; and (c) proof of a market price in excess of the par value of the stock or shares. The additional value allowed in any case is confined to the value definitely known or accurately ascertainable at the time of the payment. No claim will be allowed for a paid-in surplus in a case in which the additional value has been developed or ascertained subsequently to the date on which the property was paid in to the corporation, or in respect of property which the stockholders or their agents on or shortly before the date of such payment acquired at a bargain price, as for instance, at a receiver's sale. Generally, allowable claims under this article will arise out of transactions in which there has been no substantial change of beneficial interest in the property paid in to the corporation, and in all cases the proof of value must be clear and explicit.

Art. 837. Surplus and undivided profits: paid-in surplus. Where it is shown by evidence satisfactory to the Commissioner that tangible property has been paid in by a stockholder to a corporation as a gift or at a value definitely known or accurately ascertainable as of the date of such payment clearly and substantially in excess of the cash or other consideration paid by the corporation therefor, then the amount of the excess shall be deemed to be paid-in surplus. Substantially the same kind of evidence will be required under this article as under article 836. See further article 813.

Schedule F.

(For text of Arts. 836 and 837, see Schedule E, above.)

Art. 840. Surplus and undivided profits: additions to surplus account. A corporation's books of accounts will be presumed to show the facts. If it claims that its capital or surplus account is understated the burden of proof will rest upon it. Additions to such accounts will be accepted to the following extent:

(1) Excessive depreciation heretofore charged off on property still owned and in use, if it is now shown by satisfactory proof to have been excessive and such excess is substantial in amount,

whether or not disallowed by the Commissioner as a deduction from net income, may be restored to the surplus account. No such amount shall be restored, however, unless it is shown that adequate depreciation has been deducted upon all other property of the corporation still in use, nor in any case in which such amount has been allowed as a deduction for amortization under section 234 (a) (8) of the statute, or in which the cost of the property has been recovered through being included in the price of goods or services, as for example, in the case of patterns, dies, plates, special tools, etc., or under a munition contract with a foreign government.

(2) Amounts which have been expended before January 1, 1917, for the acquisition of plant, equipment, tools, patterns, furniture, fixtures, or like tangible property, having a useful life extending substantially beyond the year in which the expenditure was made, and which have been charged as current expense, may (less proper deductions for depreciation or obsolescence) be added to the surplus account when such assets are still owned and in active use by the corporation during the taxable year. Special tools, patterns, and similar assets shall not be assigned any value if their cost has been recovered through having been included in the price of goods. If their cost has not been so recovered and they are held for only occasional use, they shall not be assigned a value in excess of the fair value based upon the earnings actually arising from their current use, and in no case shall such value be more than the cost less depreciation. Assets of this kind not in current use shall not be valued at more than their nominal or scrap value.

(3) Amounts which have been expended in the past for intangible property of any kind can be restored to capital or surplus account only to the extent that the corporation specifically paid such amounts for the intangible property as such. For provisions relating to patents see article 843.

(4) Adjustments necessary to correct other errors found in the books of account may be made. But see the following article.

Art. 841. Surplus and undivided profits: limitation of additions to surplus account. Additions to surplus which a corporation may desire to make under the preceding article fall broadly into two classes:

(1) To correct returns of net income for prior years in which actual errors have been made, as for example where excessive depreciation has been deducted, additions to plant and equipment or other capital charges have been charged off as an expense, inventories have been taken upon a wrong basis of valuation, etc.

(2) To reinstate in surplus deductions from income which are as a matter of good accounting to some extent optional, such as experimental expenses, patent litigation, development of good will through advertising or otherwise, etc.

Adjustments falling in class (1) will be permitted for all years whether before or after March 1, 1913, provided amended returns of net income are filed for each year in which an erroneous return has been made. Due consideration will be given to the assessment of penalties in any case in which a fraudulent return has been made. Adjustments falling in class (2) cannot be permitted, as in such cases it is considered that the corporation has exercised a binding option in deducting such expenses from income. An election of this sort which was made concurrently with the transaction cannot now be revised, and amended returns in respect thereof cannot be accepted. The corporation shall submit with its return a statement of the additions proposed, specifying the kinds and amounts of property involved, the years in which the expenditures were made, and the method followed in distinguishing between capital outlays and current expenses, and showing that adequate provision has been made for depreciation, obsolescence and depletion of such of the assets affected by the additions as are subject to recognized depreciation, obsolescence or depletion. In any case in which there is an operating deficit amounts restored must first be set off against the deficit and only the excess can be actually included in the computation of invested capital.

Art. 842. Surplus and undivided profits: property paid in and subsequently written off. Where tangible or intangible property has been paid in to a corporation for stock or shares or as paid-in surplus, and has subsequently been in whole or in part written off the books, the amount so written off may upon evidence satisfactory to the Commissioner be restored to the capital or surplus account subject to the following limitations:

(1) The amount restored must be reduced by a proper deduction for any depreciation, obsolescence or depletion; and

(2) The aggregate amount included in computing invested capital on account of such property shall not exceed the amount which might have been included if such property had not been written off.

Art. 843. Surplus and undivided profits: patents. From the standpoint of assets a patent, or more particularly a group of patents, is closely analogous to good will. Their value is contingent upon and measured by their earning power. While patents have a definite life there is a common tendency to extend that life by improvements upon the original, and in a successful business the patent value merges more or less completely into a trade name or other form of good will. Therefore, while deductions in respect to the depreciation of patents based upon a normal life period of seventeen years are allowable in computing net income for the purpose of the income tax, such deductions are not obligatory, but are optional with each taxpayer. Where since January 1, 1909, a corporation has exercised that option to its own benefit in computing its taxable net income the amount so deducted cannot now be restored in computing invested capital. Where, however, the cost of patents has been charged against surplus or otherwise disposed of in such a manner as not to benefit the corporation in computing its taxable net income since January 1, 1909, any amount so written off may be restored in computing invested capital, if it be shown to the satisfaction of the Commissioner that the amount so written off represented a mere book entry ascribable to a conservative policy of management or accounting and did not represent a realized shrinkage in the value of such assets. Any amount so restored may not be written off by way of deductions from taxable net income in any subsequent year or years. Where a corporation has charged to current expenses the cost of developing or protecting patents, no amount in respect thereof expended since January 1, 1909, can be restored in computing invested capital. In respect of expenditures made before January 1, 1909, a corporation now seeking to restore them must be prepared to show to the satisfaction of the Commissioner that all such items are proper capital expenditures. It can not be said that the correct computation of surplus and undivided profits necessarily requires a deduction in respect of the expiration of patents. It follows, therefore, that where a corporation in the exercise of its option has not written down the cost of patents, it is not ordinarily

necessary to reduce the surplus and undivided profits in computing invested capital, whether the patents have been acquired for stock or shares or for cash or other tangible property. Due consideration will be given to the facts in any case in which this rule seems obviously unreasonable.

Art. 934. Adjustment for asset differently valued in prewar invested capital. In any case in which as a result of a reorganization or for any other reason any asset in existence both during the taxable year and any prewar year is included in computing the invested capital for the taxable year, but is not included in computing the invested capital for such prewar year, or is valued on a different basis in computing the invested capital for the two years, the difference resulting therefrom shall not be included in determining the difference 10 per cent of which is added to or deducted from the war profits credit under section 311 (a) (2). In any such case the corporation shall make the readjustment required by the statute, and shall submit with its return a full statement of the difference in such valuations and of the facts which give rise to such difference. See also section 331 of the statute and article 941.

Schedule G.

(For text of Sec. 326a (2) see Schedule E.)

Schedule H.

(For text of Sec. 326a (2) see Schedule E.)

Art. 845. Surplus and undivided profits: reserve for income and excess profits taxes. For the purpose of computing invested capital, federal income and war profits and excess profits taxes are deemed to have been paid out of the net income of the taxable year for which they are levied. It is immaterial, therefore, whether reserves for the payment of such taxes for the preceding year have been set up or not, or if set up whether such taxes when paid have actually been charged against such reserves. Amounts payable on account of such taxes for the preceding year may be included in the computation of invested capital only until such taxes become due and payable. A deduction from the invested capital as of the beginning of the taxable year must therefore be made for such

taxes or any installment thereof, averaged for the proportionate part of the taxable year after the date when the tax or the installment is due and payable. Where as a result of an audit by the Commissioner, or the acceptance of an amended return, or for any other reason, the amount of any such tax for the preceding year is subsequently changed, a corresponding adjustment will be made in the invested capital for the taxable year upon the same basis as if the corrected amount of the tax for the preceding year had been used in the original computation of the invested capital for the taxable year. See article 1541.

Art. 1541. Dividends. Dividends for the purpose of the statute comprise any distribution in the ordinary course of business, even though extraordinary in amount, made by a domestic or foreign corporation to its shareholders out of its earnings or profits accumulated since February 28, 1913, and in the case of a personal service corporation prior to January 1, 1918. The mere declaration of a dividend is not a distribution. Dividends are income and are taxed at the rates for the year in which paid, regardless of when the earnings or profits out of which they were paid were accumulated. As to certain stock dividends see, however, article 1546. Although interest on State bonds and certain other obligations is not taxable when received by a corporation, upon amalgamation with the other funds of the corporation such income loses its identity and when distributed to stockholders in dividends is taxable to the same extent as other dividends. See further articles 54 and 858.

Schedule L.

Sec. 234 (a) (2) All interest paid or accrued within the taxable year on its indebtedness, except on indebtedness incurred or continued to purchase or carry obligations or securities (other than obligations of the United States issued after September 24, 1917), the interest upon which is wholly exempt from taxation under this title as income to the taxpayer, or, in the case of a foreign corporation, the proportion of such interest which the amount of its gross income from sources within the United States bears to the amount of its gross income from all sources within and without the United States.

Sec. 326. (a) That as used in this title the term "invested capital" for any year means (except as provided in subdivisions (b) and (c) of this section):

(1) Actual cash bona fide paid in for stock or shares;

(2) Actual cash value of tangible property, other than cash, bona fide paid in for stock or shares, at the time of such payment, but in no case to exceed the par value of the original stock or shares specifically issued therefor, unless the actual cash value of such tangible property at the time paid in is shown to the satisfaction of the Commissioner to have been clearly and substantially in excess of such par value, in which case such excess shall be treated as paid-in surplus: Provided, That the Commissioner shall keep a record of all cases in which tangible property is included in invested capital at a value in excess of the stock or shares issued therefor, containing the name and address of each taxpayer, the business in which engaged, the amount of invested capital and net income shown by the return, the value of the tangible property at the time paid in, the par value of the stock or shares specifically issued therefor, and the amount included under this paragraph as paid-in surplus. The Commissioner shall furnish a copy of such record and other detailed information with respect to such cases when required by resolution of either House of Congress, without regard to the restrictions contained in section 257;

(3) Paid-in or earned surplus and undivided profits; not including surplus and undivided profits earned during the year;

(4) Intangible property bona fide paid in for stock or shares prior to March 3, 1917, in an amount not exceeding (a) the actual cash value of such property at the time paid in, (b) the par value of the stock or shares issued therefor, or (c) in the aggregate 25 per centum of the par value of the total stock or shares of the corporation outstanding on March 3, 1917, whichever is lowest;

(5) Intangible property bona fide paid in for stock or shares on or after March 3, 1917, in an amount not exceeding (a) the actual cash value of such property at the time paid in, (b) the par value of the stock or shares issued therefor, or (c) in the aggregate 25 per centum of the par value of the total stock or shares of the corporation outstanding at the beginning of the taxable year, whichever is lowest: Provided, That in no case shall the total amount included under paragraphs (4) and (5) exceed in the aggregate 25 per centum of the par value of the total stock or

shares of the corporation outstanding at the beginning of the taxable year; but

(b) As used in this title the term "invested capital" does not include borrowed capital.

(c) There shall be deducted from invested capital as above defined a percentage thereof equal to the percentage which the amount of inadmissible assets is of the amount of admissible and inadmissible assets held during the taxable year.

(d) The invested capital for any period shall be the average invested capital for such period, but in the case of a corporation making a return for a fractional part of a year, it shall (except for the purpose of paragraph (2) of subdivision (a) of section 311) be the same fractional part of such average invested capital.

The average invested capital for the prewar period shall be determined by dividing the number of years within that period during the whole of which the corporation was in existence into the sum of the average invested capital for such years.

Sec. 330. That in the case of the reorganization, consolidation, or change of ownership after January 1, 1911, of a trade or business now carried on by a corporation, the corporation shall for the purposes of this title be deemed to have been in existence prior to that date, and the net income and invested capital of such predecessor trade or business for all or any part of the prewar period prior to the organization of the corporation now carrying on such trade or business shall be deemed to have been the net income and invested capital of such corporation.

If such predecessor trade or business was carried on by a partnership or individual the net income for the prewar period shall, under regulations prescribed by the Commissioner with the approval of the Secretary, be ascertained and returned as nearly as may be upon the same basis and in the same manner as provided for corporations in Title II, including a reasonable deduction for salary or compensation to each partner or the individual for personal services actually rendered.

In the case of the organization as a corporation before July 1, 1919, of any trade or business in which capital is a material income-producing factor and which was previously owned by a partnership or individual, the net income of such trade or business from January 1, 1918, to the date of such reorganization may at

the option of the individual or partnership be taxed as the net income of a corporation is taxed under Titles II and III; in which event the net income and invested capital of such trade or business shall be computed as if such corporation had been in existence on and after January 1, 1918, and the undistributed profits or earnings of such trade or business shall not be subject to the surtax imposed in section 211, but amounts distributed on or after January 1, 1918, from the earnings of such trade or business shall be taxed to the recipients as dividends, and all the provisions of Titles II and III relating to corporations shall, so far as practicable, apply to such trade or business: Provided, That this paragraph shall not apply to any trade or business the net income of which for the taxable year 1918 was less than 20 per centum of its invested capital for such year: Provided further, That any taxpayer who takes advantage of this paragraph shall pay the tax imposed by section 1000 of this act and by the first subdivision of section 407 of the Revenue Act of 1916, as if such taxpayer had been a corporation on and after January 1, 1918, with a capital stock having no par value.

If any asset of the trade or business in existence both during the taxable year and any prewar year is included in the invested capital for the taxable year but is not included in the invested capital for such prewar year, or is valued on a different basis in computing the invested capital for the taxable year and such prewar year, respectively, then under rules and regulations to be prescribed by the Commissioner with the approval of the Secretary such readjustments shall be made as are necessary to place the computation of the invested capital for such prewar year on the basis employed in determining the invested capital for the taxable year.

Sec. 331. In the case of the reorganization, consolidation, or change of ownership of a trade or business, or change of ownership of property, after March 3, 1917, if an interest or control in such trade or business or property of 50 per centum or more remains in the same persons, or any of them, then no asset transferred or received from the previous owner shall, for the purpose of determining invested capital, be allowed a greater value than would have been allowed under this title in computing the invested capital of such previous owner if such asset had not been so trans-

ferred or received: Provided, That if such previous owner was not a corporation, then the value of any asset so transferred or received shall be taken at its cost of acquisition (at the date when acquired by such previous owner) with proper allowance for depreciation, impairment, betterment or development, but no addition to the original cost shall be made for any charge or expenditure deducted as expense or otherwise on or after March 1, 1913, in computing the net income of such previous owner for purposes of taxation.

Art. 831. Meaning of invested capital. Invested capital within the meaning of the statute is the capital actually paid in to the corporation by the stockholders, including the surplus and undivided profits, and is not based upon the present net worth of the assets, as shown by an appraisal or in any other manner. The basis or starting point in the computation of invested capital is found in the amount of cash and other property paid in, the valuation at which such other property may be included being determined in accordance with the statute and the regulations. The computation does not stop, however, with such original entries or amounts, but also takes into account the surplus and undivided profits of prior years left in the business. The invested capital of a corporation includes, generally speaking, (a) the cash paid in for stock, (b) the tangible property paid in for stock, (c) the surplus and undivided profits, and (d) the intangible property paid in for stock (to a limited amount), less, however, the same proportion of such aggregate sum as the amount of inadmissible assets bears to the total assets. Invested capital does not include borrowed capital. See section 325 of the statute and articles 811-818. The fair market value of the assets as of March 1, 1913, has no bearing on invested capital. See section 202 and article 1561.

Art. 832. Cash paid in: bonus stock. Capital stock issued as a bonus in connection with the sale of a corporation's bonds may not be included in invested capital unless the corporation proves to the satisfaction of the Commissioner that such stock bonus enabled the corporation to secure a higher price for the bonds than it could otherwise have secured. Wherever this fact is established such stock shall be included in computing invested capital to the extent of the difference between the selling price of

the bonds and the price at which they could have been sold if issued without such stock bonus. The excess of the face value of such bonds over the price at which they could have been sold if issued without the stock bonus is deemed discount and is subject to amortization. See article 39.

Art. 833. Tangible property paid in: evidences of indebtedness. Enforceable notes or other evidences of indebtedness, either interest-bearing or non-interest-bearing, of the subscriber received by a corporation upon a subscription for stock may be considered as tangible property in computing its invested capital to the extent of the actual cash value of such notes or other evidences of indebtedness at the time when paid in, but only (a) if such notes or evidences of indebtedness could under the laws of the jurisdiction in which the corporation was organized legally be received in payment for stock, and (b) if they were actually received by the corporation as absolute, and not as conditional, payment in whole or in part of the stock subscription.

Art. 834. Tangible property paid in: inadmissible assets. Stocks, bonds and other obligations (other than obligations of the United States), the dividends or interest from which are not included in computing net income, when bona fide paid in for stock or shares may like other tangible property be included in computing the invested capital of the corporation at their actual cash value when paid in. For the purpose of the reduction required in articles 852 and 854, however, account must be taken of such assets in the same manner as of any other inadmissible assets.

Art. 835. Tangible property paid in: mixture of tangible and intangible property. Where stock or shares and bonds or other obligations have been issued for a mixed aggregate of tangible and intangible property, it will be presumed in the absence of satisfactory evidence to the contrary that the bonds were issued for tangible property and that the stock was issued for the balance of the tangible property, if any, and for the intangible property. Where stock or shares have been issued for a mixed aggregate of tangible and intangible property and certain liabilities have been assumed in connection with the transaction, it will be presumed that such liabilities are to be charged against the tangible property and the intangible property in the order named, unless it is

shown by evidence satisfactory to the Commissioner that this presumption is not in accordance with the facts. See further section 327 (c) of the statute.

Art. 836. Tangible property paid in: value in excess of par value of stock. Evidence offered to support a claim for a paid-in surplus must be as of the date of the payment, and may consist among other things of (a) an appraisal of the property by disinterested authorities made on or about the date of the transaction; (b) certification of the assessed value in the case of real estate; and (c) proof of a market price in excess of the par value of the stock or shares. The additional value allowed in any case is confined to the value definitely known or accurately ascertainable at the time of the payment. No claim will be allowed for a paid-in surplus in a case in which the additional value has been developed or ascertained subsequently to the date on which the property was paid in to the corporation, or in respect of property which the stockholders or their agents on or shortly before the date of such payment acquired at a bargain price, as for instance, at a receiver's sale. Generally, allowable claims under this article will arise out of transactions in which there has been no substantial change of beneficial interest in the property paid in to the corporation, and in all cases the proof of value must be clear and explicit.

Art. 837. Surplus and undivided profits: paid-in surplus. Where it is shown by evidence satisfactory to the Commissioner that tangible property has been paid in by a stockholder to a corporation as a gift or at a value definitely known or accurately ascertainable as of the date of such payment clearly and substantially in excess of the cash or other consideration paid by the corporation therefor, then the amount of the excess shall be deemed to be paid-in surplus. Substantially the same kind of evidence will be required under this article as under article 836. See further article 813.

Art. 838. Surplus and undivided profits: earned surplus. Only true earned surplus and undivided profits can be included in the computation of invested capital, and if for any reason the books do not properly reflect the true surplus such adjustments must be made as are necessary in order to arrive at the correct amount. In the computation of earned surplus and undivided profits full

recognition must first be given to all expenses incurred and losses sustained from the original organization of the corporation down to the taxable year, including among such expenses and losses reasonable allowances for depreciation, obsolescence or depletion of property, (irrespective of the manner in which such property was originally acquired), and for the amortization of any discount on its bonds. There can of course be no earned surplus or undivided profits until any deficit or impairment of paid-in capital due to depletion, depreciation, expense, losses or any other cause has been made good. Where adequate evidence is presented that the amounts written off or deducted in previous returns of net income are in the aggregate incorrect or unreasonable, adjustments must be made, and the taxpayer will be allowed a refund in respect of any taxes overpaid in prior years, or in the case of an underpayment of taxes will be additionally assessed.

Art. 839. Surplus and undivided profits: allowance for depletion and depreciation. Depletion, like depreciation, must be recognized in all cases in which it occurs. Depletion attaches to each unit of mineral or other property removed, and the denial of a deduction in computing net income under the Act of August 5, 1909, or the limitation upon the amount of the deduction allowed under the Act of October 3, 1913, does not relieve the corporation of its obligation to make proper provision for depletion of its property in computing its surplus and undivided profits. Adjustments in respect of depreciation or depletion in prior years will be made or permitted only upon the basis of affirmative evidence that as at the beginning of the taxable year the amount of depreciation or depletion written off in prior years was insufficient or excessive, as the case may be. Where deductions for depreciation or depletion have either on the books of the corporation or in its returns of net income been included in the past in expense or other accounts, rather than specifically as depreciation or depletion, or where capital expenditures have been charged to expense in lieu of depreciation or depletion, a statement indicating the extent to which this practice has been carried should accompany the return.

Art. 840. Surplus and undivided profits: additions to surplus account. A corporation's books of accounts will be presumed to show the facts. If it claims that its capital or surplus account

is understated the burden of proof will rest upon it. Additions to such accounts will be accepted to the following extent:

(1) Excessive depreciation heretofore charged off on property still owned and in use, if it is now shown by satisfactory proof to have been excessive and such excess is substantial in amount, whether or not disallowed by the Commissioner as a deduction from net income, may be restored to the surplus account. No such amount shall be restored, however, unless it is shown that adequate depreciation has been deducted upon all other property of the corporation still in use, nor in any case in which such amount has been allowed as a deduction for amortization under section 234 (a) (8) of the statute, or in which the cost of the property has been recovered through being included in the price of goods or services, as for example, in the case of patterns, dies, plates, special tools, etc., or under a munition contract with a foreign government.

(2) Amounts which have been expended before January 1, 1917, for the acquisition of plant, equipment, tools, patterns, furniture, fixtures, or like tangible property, having a useful life extending substantially beyond the year in which the expenditure was made, and which have been charged as current expense, may (less proper deductions for depreciation or obsolescence) be added to the surplus account when such assets are still owned and in active use by the corporation during the taxable year. Special tools, patterns, and similar assets shall not be assigned any value if their cost has been recovered through having been included in the price of goods. If their cost has not been so recovered and they are held for only occasional use, they shall not be assigned a value in excess of the fair value based upon the earnings actually arising from their current use, and in no case shall such value be more than the cost less depreciation. Assets of this kind not in current use shall not be valued at more than their nominal or scrap value.

(3) Amounts which have been expended in the past for intangible property of any kind can be restored to capital or surplus account only to the extent that the corporation specifically paid such amounts for the intangible property as such. For provisions relating to patents see article 843.

(4) Adjustments necessary to correct other errors found in the books of account may be made. But see the following article.

Art. 841. Surplus and undivided profits: limitation of additions to surplus account. Additions to surplus which a corporation may desire to make under the preceding article fall broadly into two classes:

(1) To correct returns of net income for prior years in which actual errors have been made, as for example where excessive depreciation has been deducted, additions to plant and equipment or other capital charges have been charged off as an expense, inventories have been taken upon a wrong basis of valuation, etc.

(2) To reinstate in surplus deductions from income which are as a matter of good accounting to some extent optional, such as experimental expenses, patent litigation, development of good will through advertising or otherwise, etc.

Adjustments falling in class (1) will be permitted for all years whether before or after March 1, 1913, provided amended returns of net income are filed for each year in which an erroneous return has been made. Due consideration will be given to the assessment of penalties in any case in which a fraudulent return has been made. Adjustments falling in class (2) cannot be permitted, as in such cases it is considered that the corporation has exercised a binding option in deducting such expenses from income. An election of this sort which was made concurrently with the transaction cannot now be revised, and amended returns in respect thereof cannot be accepted. The corporation shall submit with its return a statement of the additions proposed, specifying the kinds and amounts of property involved, the years in which the expenditures were made, and the method followed in distinguishing between capital outlays and current expenses, and showing that adequate provision has been made for depreciation, obsolescence and depletion of such of the assets affected by the additions as are subject to recognized depreciation, obsolescence or depletion. In any case in which there is an operating deficit amounts restored must first be set off against the deficit and only the excess can be actually included in the computation of invested capital.

Art. 842. Surplus and undivided profits: property paid in and subsequently written off. Where tangible or intangible property has been paid in to a corporation for stock or shares or as paid-in surplus, and has subsequently been in whole or in part written off the books, the amount so written off may upon evidence satis-

factory to the Commissioner be restored to the capital or surplus account subject to the following limitations:

(1) The amount restored must be reduced by a proper deduction for any depreciation, obsolescence or depletion; and

(2) The aggregate amount included in computing invested capital on account of such property shall not exceed the amount which might have been included if such property had not been written off.

Art. 843. Surplus and undivided profits: patents. From the standpoint of assets a patent, or more particularly a group of patents, is closely analogous to good will. Their value is contingent upon and measured by their earning power. While patents have a definite life, there is a common tendency to extend that life by improvements upon the original, and in a successful business the patent value merges more or less completely into a trade name or other form of good will. Therefore, while deductions in respect to the depreciation of patents based upon a normal life period of seventeen years are allowable in computing net income for the purpose of the income tax, such deductions are not obligatory, but are optional with each taxpayer. Where since January 1, 1909, a corporation has exercised that option to its own benefit in computing its taxable net income the amount so deducted cannot now be restored in computing invested capital. Where, however, the cost of patents has been charged against surplus or otherwise disposed of in such a manner as not to benefit the corporation in computing its taxable net income since January 1, 1909, any amount so written off may be restored in computing invested capital, if it be shown to the satisfaction of the Commissioner that the amount so written off represented a mere book entry ascribable to a conservative policy of management or accounting and did not represent a realized shrinkage in the value of such assets. Any amount so restored may not be written off by way of deductions from taxable net income in any subsequent year or years. Where a corporation has charged to current expenses the cost of developing or protecting patents, no amount in respect thereof expended since January 1, 1909, can be restored in computing invested capital. In respect of expenditures made before January 1, 1909, a corporation now seeking to restore them must be prepared to show to the satisfaction of the Commissioner

that all such items are proper capital expenditures. It cannot be said that the correct computation of surplus and undivided profits necessarily requires a deduction in respect of the expiration of patents. It follows, therefore, that where a corporation in the exercise of its option has not written down the cost of patents, it is not ordinarily necessary to reduce the surplus and undivided profits in computing invested capital, whether the patents have been acquired for stock or shares or for cash or other tangible property. Due consideration will be given to the facts in any case in which this rule seems obviously unreasonable. See article 167.

Art. 844. Surplus and undivided profits: reserve for depreciation or depletion. If any reserves for depreciation or for depletion are included in the surplus account it should be analyzed so as to separate such reserves and leave only real surplus. Reserves for depreciation or depletion cannot be included in the computation of invested capital, except to the following extent:

(1) Excessive depletion or depreciation included therein and which if charged off could be restored under article 840 may be included in the computation of invested capital; and

(2) Where depreciation or depletion is computed on the value as of March 1, 1913, or as of any subsequent date, the proportion of depreciation or depletion representing the realization of appreciation of value at March 1, 1913, or such subsequent date, may if undistributed and used or employed in the business be treated as surplus and included in the computation of invested capital.

For the purpose of computing invested capital depreciation or depletion computed on the value as of March 1, 1913, or as of any subsequent date shall, if such value exceeded cost, be deemed a pro rata realization of cost and appreciation and be apportioned accordingly. Except as above provided value appreciation (even though evidenced by an appraisal) which has not been actually realized and in respect of amounts accrued since March 1, 1913, reported as income for the purpose of the income tax, cannot be included in the computation of invested capital, and if already reflected in the surplus account it must be deducted therefrom.

Art. 845. Surplus and undivided profits: reserve for income and excess profits taxes. For the purpose of computing invested capital federal income and war profits and excess profits taxes are

deemed to have been paid out of the net income of the taxable year for which they are levied. It is immaterial, therefore, whether reserves for the payment of such taxes for the preceding year have been set up or not, or if set up whether such taxes when paid have actually been charged against such reserves. Amounts payable on account of such taxes for the preceding year may be included in the computation of invested capital only until such taxes become due and payable. A deduction from the invested capital as of the beginning of the taxable year must therefore be made for such taxes or any installment thereof, averaged for the proportionate part of the taxable year after the date when the tax or the installment is due and payable. Where as a result of an audit by the Commissioner, or the acceptance of an amended return, or for any other reason, the amount of any such tax for the preceding year is subsequently changed, a corresponding adjustment will be made in the invested capital for the taxable year upon the same basis as if the corrected amount of the tax for the preceding year had been used in the original computation of the invested capital for the taxable year. See articles 1541 and 1542.

Art. 846. Surplus and undivided profits: insurance on officers. Where insurance is carried by the corporation on the life of an officer or employee, the policy may be included as an admissible asset and reflected in the surplus account at the cash surrender value as of the beginning of the taxable year. The whole amount of premiums paid on such insurance cannot be included in surplus, but the surplus will be considered as increased as of the beginning of each taxable year by the amount added to the cash surrender value of the policy. See article 294.

Art. 847. Surplus and undivided profits: property taken for debt or in exchange. Real or personal property taken by a corporation in payment or satisfaction of a debt, or property received in exchange for other property, will be an admissible asset at its fair market value upon receipt. The profit or loss, if any, resulting from the transaction will not be reflected in invested capital until the succeeding taxable year. But see as to the foreclosure of a mortgage article 153. See also section 202 of the statute and articles 1561-1570.

Art. 848. Surplus and undivided profits: discount on sale of

bonds. Discount allowed on the sale of bonds is in effect an advance on account of interest, so that the effective rate of interest in such a case is equal to the sum of the nominal rate plus the rate necessary to amortize the discount over the life of the bonds. Where, under incorrect accounting practices, the discount on bonds has been charged to a property account or otherwise carried as an asset, and is so reflected in the surplus account, it is necessary in computing invested capital to make an adjustment in respect of such discount. See article 563.

Art. 849. Surplus and undivided profits: miscellaneous. Only the amount of discount which has actually been reported by a bank in a prior year as taxable income and credited to surplus account may be included in surplus as of the beginning of the taxable year. For the treatment of surplus arising out of sales on the installment plan see articles 42-46, and from compensation for property lost, damaged or condemned, see articles 49 and 50.

Art. 850. Surplus and undivided profits: current profits. Profits earned during any year cannot be included in the computation of invested capital for that year, even though during the year such profits are set up as surplus on the books or assumed to be distributed in the form of stock dividends. If a dividend is declared and paid during any year out of the profits of that year and the stockholders pay back into the corporation all or a substantial part of the amount of such dividends, the amount so paid back cannot be included in the computation of invested capital unless the corporation shows by evidence satisfactory to the Commissioner that the dividends were paid in good faith and without any understanding, express or implied, that they were to be paid back.

Art. 851. Intangible property paid in. The actual cash value of intangible property paid in for stock or shares must be determined in the light of the facts in each case. Among the factors to be considered are (a) the earnings attributable to such intangible assets while in the hands of the predecessor owner; (b) the earnings of the corporation attributable to the intangible assets after the date of their acquisition; (c) representative sales of the stock of the corporation at or about the date of the acquisition of the intangible assets; and (d) any cash offers for the purchase of the

business, including the intangible property, at or about the time of considered are (a) the earnings attributable to such intangible property paid in for stock or shares should file with its return a full statement of the facts relating to such valuation. See also article 835.

Art. 852. Percentage of inadmissible assets. For the purpose of ascertaining the deductible percentage the amount of inadmissible assets held during the year may ordinarily be determined by dividing by two the sum of the amount of such assets held at the beginning of the year and the amount held at the end of the year. The total amount of admissible and inadmissible assets held during the year may ordinarily be determined by dividing by two the sum of the amount of such assets held at the beginning of the year and the amount at the end of the year. If at any time a substantial change has taken place either in the amount of inadmissible assets or in the total amount of admissible and inadmissible assets, the effect of such change shall be averaged exactly from the date on which it occurred. In any case where the Commissioner finds that either amount determined as above provided does not substantially reflect the average situation throughout the year, and that the amount of each kind of assets held on a given day of each month throughout the year or at more frequent regular intervals can be determined, the amount of inadmissible assets and the amount of both kinds of assets held during the year shall be determined by averaging the amounts held at such several times. In making the computations under this article the valuation at which each asset is carried shall be adjusted in accordance with the provisions of the statute and of the regulations relating to the valuation of assets for the purpose of computing invested capital, including in such adjustment the amount of reserves for depreciation, depletion, amortization and other reserves which represent the valuation of assets. It is immaterial whether any asset was acquired out of invested capital or out of profits earned during the year or borrowed capital.

Art. 853. Changes in invested capital during year. The invested capital as of the beginning of any period of one year or less should be adjusted by an appropriate addition or deduction for each change in invested capital during the period. The amount so added or deducted in each case is the amount of the change aver-

aged for the time remaining in the period during which it is in effect. The fraction used in finding such average is the number of days remaining in the period (including the day on which the change occurs) over the number of days in the period. Thus if a return is made for the calendar year ending December 31, 1918, and if \$100,000 of additional capital was paid in on February 17, 1918, this addition to invested capital is in effect for 318 days, and the amount to be added to the invested capital as of the beginning of the year would be $318/365$ of \$100,000, or \$87,123.29. If \$50,000 of this amount was withdrawn on October 31, 1918, the amount to be deducted would be $62/365$ of \$50,000, or \$8,493.15.

Art. 854. Computation of average invested capital. For the purpose of computing invested capital for any period of one year or less each corporation shall add together its paid-in capital and its paid-in or earned surplus and undivided profits (under whatever name it may be called) as shown by its books at the beginning of the period. The total so obtained shall be adjusted (a) for any property paid in, or for any asset reflected in surplus and undivided profits, which is not carried on the books at the valuation prescribed by the statute or by the regulations, and (b) for any changes in paid-in capital or in paid-in or earned surplus and undivided profits (not including surplus and undivided profits earned during the period) occurring during the period, averaged for the time for which such changes are effective. See article 853. The total so obtained and adjusted is the average invested capital for the period, unless the corporation at any time during the period held any inadmissible assets, in which case such total must be reduced by a percentage thereof equal to the percentage which the amount of inadmissible assets held during the period is of the total amount of admissible and inadmissible assets held during the period. See article 852. The invested capital for any year during the prewar period is determined in the same manner as for the taxable year. The invested capital cannot be determined by adding the amounts of the assets of a corporation.

Art. 855. Invested capital for full year or less. In the case of a corporation making a return for a full year of 12 months, its invested capital for the year is the average invested capital for the year. In the case of a corporation making a return for a fractional part of a year, its invested capital for such period is

the same fractional part of the average invested capital for such period, except that for the purpose of section 311 (a) (2) of the statute it is the full average invested capital for the period. In computing the tax under a return for a fractional part of a period the same purpose may sometimes be more readily effected by using the full average invested capital and taking a fractional part of the result, as in schedule III of form 1120. In schedule IV of the same form, however, the fractional part of the full average invested capital for the period should be used. See articles 720 and 853.

Art. 856. Illustration of invested capital for fractional part of year. A corporation was organized July 1, 1918, and makes a return for the six months ending December 31, 1918. The invested capital consists of \$100,000 paid in on July 1 and \$100,000 paid in on October 1. The average invested capital for such period would be \$100,000 plus $92/184$ (not $92/365$) of \$100,000, or \$50,000, a total of \$150,000. The invested capital for the period for the purpose of the tax would, however, be $6/12$ of \$150,000, or \$75,000. But see section 311 (a) (2) of the statute.

Art. 857. Method of determining available net income. Whether at the time of any payment made during the taxable year there is sufficient income of the taxable year available for such payment, or whether the surplus or undivided profits as of the beginning of the taxable year must be reduced by the amount of such payment, shall be determined according to the following principles:

(1) The aggregate amount of earnings of the taxable year available for all purposes up to any given date will be determined upon the basis of the same proportion of the net income for the taxable year (as finally determined for the purpose of income and war profits and excess profits taxes) as the part of the year already elapsed is of the entire year (determined in the manner provided in article 853), unless the corporation shows from its books or other records that a greater proportion of its earnings for the year was available on such date.

(2) The aggregate amount available will be deemed to be applied for the following purposes in the order in which they are stated: (a) accrued federal income and war profits and excess profits taxes for the taxable year (see article 845), and (b) divi-

dends paid after the expiration of the first sixty days of the taxable year (see section 201 of the statute and article 1541) and other corporate purposes, including the purchase of outstanding stock of the corporation previously issued (see article 862). In any case where the above computation would be indeterminate because of the effect of the provisions of this article upon the invested capital for the year, the amount of such invested capital for the purpose of this computation may be deemed to be the invested capital as of the beginning of the taxable year, plus any additional capital paid in during such year and minus any specific withdrawal or liquidation of capital during such year.

Art. 858. Effect of ordinary dividend. A dividend other than a stock dividend affects the computation of invested capital from the date when the dividend is payable and not from the date when it is declared, except that where no date is set for its payment the date when declared will be considered also the date when payable for the purpose of this article. For the purpose of computing invested capital a dividend paid after the expiration of the first sixty days of the taxable year will be deemed to be paid out of the net income of the taxable year to the extent of the net income available for such purpose on the date when it is payable. See article 857. The surplus and undivided profits as of the beginning of the taxable year will be reduced as of the date when the dividend is payable by the entire amount of any dividend paid during the first sixty days of the taxable year and by the amount of any other dividend in excess of the current net income available for its payment. In the case of a dividend paid during the first sixty days of a taxable year which exceeds in amount the surplus and undivided profits as of the beginning of the taxable year the excess will be deemed to be paid out of earnings of the taxable year available at the date when the dividend is payable, and to the extent that such earnings are insufficient it will be deemed to be a liquidation of paid in capital or surplus. From the date when any dividend is payable the amount which the several stockholders are entitled to receive will be treated as if actually paid to them, whether or not it is so paid in fact, and the surplus and undivided profits, either of the taxable year or of the preceding years, will in accordance with the foregoing provisions be deemed to be reduced as of that date by the full amount of the dividend. Amounts

paid to stockholders in anticipation of dividends, or amounts withdrawn by stockholders in excess of dividends declared, will in computing invested capital have the same effect as if actually paid as dividends. See also article 813, and see generally section 201 and articles 1541-1549.

Art. 859. Effect of stock dividend. The payment of a stock dividend has no effect upon the amount of invested capital. Such items as appraised value of good will, appreciation in value of real estate or other tangible property, etc., although carried to surplus and distributed as stock dividends, cannot in this manner be capitalized and included in computing invested capital. If a corporation has paid a stock dividend in excess of its true surplus, it cannot be deemed to have any greater invested capital than could have been computed had no such stock dividend been paid.

Art. 860. Impairment of capital. Capital or surplus actually paid in is not required to be reduced because of an impairment of capital in the nature of an operating deficit, except where there has been directly or indirectly a liquidation or return of their investment to the stockholders, in which case full effect must be given to any liquidation of the original capital.

Art. 861. Surrender of stock. Where stock which has originally been issued or exchanged by the corporation for property (tangible or intangible) is returned to the corporation as a gift or for a consideration substantially less than its par value, the stock so returned shall not be treated as a part of the stock issued or exchanged for such property. The proceeds derived in cash or its equivalent from the resale of the stock so returned shall, however, be included in computing invested capital. See article 542.

Art. 862. Purchase of stock. Where a corporation either directly or indirectly, as for example through a trustee, has prior to the taxable year bought its own stock, either for the purpose of retirement or of holding it in the treasury or for other purposes, the entire cost of such stock must be deducted from the aggregate invested capital as of the beginning of the taxable year, if such deduction has not already been made. Where such stock is purchased during the taxable year a deduction from the invested capital as of the beginning of the taxable year and effective from the date of such purchase is required only to the extent that such

stock has not been purchased out of the undivided profits of the taxable year. See article 857. The full amount derived in cash or its equivalent from the resale of such stock may be included in the invested capital from the date of such resale, unless such stock had been purchased out of earnings of the taxable year. See article 542.

Art. 863. Invested capital and other measures of capital. (a) The invested capital as here defined may differ from the capital as shown on the books of the corporation. In such event no changes should be made in the books themselves. The corporation should, however, in all cases keep a permanent record of the adjustments which are made in computing invested capital. (b) Section 1000 of the statute imposes a tax on the fair value of the capital stock of corporations. As in the case of the war profits and excess profits tax the invested capital is based upon the actual investment of the stockholders in the corporation, irrespective of the present value of its assets, and in the case of the capital stock tax the fair value looks to the present value of the corporation's assets, irrespective of the amount of the investment of the stockholders therein, the amount determined as the fair value of the capital stock for the purpose of the capital stock tax can have no bearing upon the determination of invested capital. See also article 1561.

Art. 864. Affiliated corporations: invested capital. The invested capital of affiliated corporations, as defined in section 240 (b) of the statute and article 633, for the taxable year is the invested capital of the entire group treated as one unit operated under a common control. As a first step in the computation a consolidated balance sheet should be prepared in accordance with standard accounting practices, which will reflect the actual assets and liabilities of the affiliated group. In preparing such a balance sheet all intercompany items, such as intercompany notes and accounts receivable and payable, should be eliminated from the assets and the liabilities, respectively, and proper adjustments should be made in respect of intercompany profits or losses reflected in inventories which at the beginning or end of the taxable year contain merchandise exchanged between the corporations included in the affiliated group at prices above or below cost to the producing or original owner corporation. Such consolidated balance sheet

will then show (a) the capital stock of the parent or principal company in the hands of the public; (b) the consolidated surplus belonging to the stockholders of the parent or principal company; and (c) the capital stock, if any, of subsidiary companies not owned by the parent or principal company, together with the surplus, if any, belonging to such minority interest. In computing consolidated invested capital the starting point is furnished by the total of the amounts shown under (a), (b) and (c) above. This total must be increased or diminished by any adjustments required to be made under the provisions of sections 325, 326, 330 and 331 of the statute and articles 811-818, 831-869, 931-934 and 941 of the regulations, except as otherwise provided in articles 865-868.

Art. 865. Affiliated corporations: intangible property paid in.

(1) In respect of corporations whose affiliation is in the nature of parent and subsidiary companies: (a) in the case of intangible property bona fide paid in for stock or shares prior to March 3, 1917, there may be included in invested capital an amount not exceeding the actual cash value of such property at the time paid in, or the par value of the stock or shares issued therefor, or in the aggregate 25 per cent of the par value of the total stock or shares of the consolidation outstanding on March 3, 1917 (determined as indicated in items (a) and (c) in article 864), or in the aggregate 25 per cent of the par value of the total stock or shares shown on the consolidated balance sheet, being the amount of the capital stock included in items (a) and (c) in article 864 at the beginning of the taxable year, whichever is lowest; and (b) in the case of intangible property bona fide paid in for stock or shares on or after March 3, 1917, there may be included in invested capital an amount not exceeding the actual cash value of such property at the time paid in, or the par value of the stock or shares issued therefor, or in the aggregate 25 per cent of the par value of the total stock or shares shown by the consolidated balance sheet, being the amount of the capital stock included in items (a) and (c) in article 864 outstanding at the beginning of the taxable year, whichever is lowest. (c) When intangible property has been acquired in part before and in part after March 3, 1917, the amounts shall be ascertained, respectively, under (a) and (b) above and in the aggregate shall in no case exceed 25 per cent of the par value of the total stock or shares outstanding at the

beginning of the taxable year shown in the consolidated balance sheet, being the amount of the capital stock included in items (a) and (c) in article 864.

(2) In respect of corporations affiliated by reason of ownership by the same interests, the limitations set forth in paragraphs (4) and (5) of subdivision (a) of section 326 of the statute shall be applied to each corporation separately and the aggregate of the intangible property, so valued, shall be included in invested capital in the consolidated return. In respect of each of the affiliated corporations the aggregate of the amounts ascertained under the provisions of paragraphs (4) and (5) shall in no case exceed 25 per cent of the outstanding capital stock of such corporation at the beginning of the taxable year.

Art. 866. Affiliated corporations: inadmissible assets. Where adjustment is required in respect of inadmissible assets in accordance with the provisions of subdivision (c) of section 326 of the statute, such adjustment shall be made on the basis of the consolidated balance sheet with due regard to the adjustments and eliminations set forth in articles 864 and 865 and to the provisions of articles 815-818.

Art. 867. Affiliated corporations: stock of subsidiary acquired for cash. When all or substantially all of the stock of a subsidiary corporation was acquired for cash, the cash so paid shall be the basis to be used in determining the value of the property acquired.

Art. 868. Affiliated corporations: stock of subsidiary acquired for stock. Where stock of a subsidiary company was acquired with the stock of the parent company, the amount to be included in the consolidated invested capital in respect of the company acquired shall be computed in the same manner as if the net tangible assets and the intangible assets had been acquired instead of the stock. If in accordance with such acquisition a paid-in surplus is claimed, such claim shall be subject to the provisions of article 837.

Art. 869. Affiliated corporations: invested capital for prewar period. The invested capital of affiliated corporations for the prewar period shall be computed on the same basis as the invested of the corporations included in the consolidation for the taxable capital for the taxable year, except that where any one or more

year were in existence during the prewar period, but were not then affiliated as herein defined, then the average consolidated invested capital for the prewar period shall be the average invested capital of the corporations which were affiliated in the prewar period plus the aggregate of the average invested capital for each of the several corporations which were not affiliated during the prewar period. Full recognition, however, must be given to the provisions of section 330 of the statute, particularly the last paragraph thereof, and of articles 931-934.

Art. 931. Scope of reorganizations. The first two paragraphs of section 330 of the statute relate only to the prewar period and not to the invested capital or net income for the taxable year. Under their provisions in the case of a reorganization, consolidation or change of ownership, the corporation is regarded as having been in existence prior to the date of such reorganization, consolidation or change in ownership, and the net income and invested capital of the predecessor trade or business for all or any part of the prewar period prior to the organization of the present corporation are deemed to have been the net income and invested capital of such corporation.

Art. 932. Net income and invested capital of predecessor partnership or individual. If the predecessor trade or business was carried on by a partnership or individual, the corporation shall make its return of the net income and invested capital of such trade or business as nearly as may be in the same manner as if such trade or business had been carried on by a corporation. It shall submit with its return a statement setting forth (a) the manner in which such trade or business was carried on and (b) the points, if any, in which the provisions of the statute and of the regulations are not fully applicable to the determination of the net income or invested capital of the predecessor trade or business for the prewar period. In no case shall the deduction from gross income for salary or compensation for personal services exceed the salaries or compensation customarily paid at that time by corporations or partnerships of similar size and standing engaged in similar trades or businesses for similar services under like responsibilities.

Art. 933. Election to be taxed as corporation. A business enterprise (a) which is organized as a corporation before July 1,

1919, (b) in which capital is and has been a material income-producing factor, and (c) which was previously owned by a partnership or individual, may elect to be taxed as a corporation on its net income from January 1, 1918, to the date of organization of the corporation. In such event the corporation shall be treated as if in existence since January 1, 1918, for the purposes of the income tax, the war profits and excess profits tax, and the capital stock tax. The adoption of any other date than January 1, 1918, for such purpose is not permissible. But this option is not extended to a business enterprise with a net income for the taxable year 1918 less than 20 per cent of its invested capital.

Art. 934. Adjustment for asset differently valued in prewar invested capital. In any case in which as a result of a reorganization or for any other reason any asset in existence both during the taxable year and any prewar year is included in computing the invested capital for the taxable year, but is not included in computing the invested capital for such prewar year, or is valued on a different basis in computing the invested capital for the two years, the difference resulting therefrom shall not be included in determining the difference 10 per cent of which is added to or deducted from the war profits credit under section 311 (a) (2) of the statute. In any such case the corporation shall make the readjustment required by the statute, and shall submit with its return a full statement of the difference in such valuations and of the facts which give rise to such difference. See also section 331 and article 941.

Art. 941. Valuation of asset upon change of ownership. Where a business is reorganized, consolidated or transferred, or property is transferred, after March 3, 1917, and an interest of 50 per cent or greater in such business or property remains in any of the previous owners, then for the purpose of determining invested capital each asset so transferred is valued (a) as if still in the possession of the previous owner, if a corporation, or, if not a corporation, (b) at its cost to such previous owner, with proper adjustments for losses and improvements. This provision is accordingly concerned with the computation of invested capital for the taxable year, while section 330 of the statute is chiefly concerned with the determination of invested capital for the prewar period. See articles 931, 932 and 1561-1570.

“ Questions.”

Art. 631. Affiliated corporations. The provision of the statute requiring affiliated corporations to file consolidated returns is based upon the principle of levying the tax according to the true net income and invested capital of a single business enterprise, even though the business is operated through more than one corporation. Where one corporation owns the capital stock of another corporation or other corporations, or where the stock of two or more corporations is owned by the same interests, a situation results which is closely analogous to that of a business maintaining one or more branch establishments. In the latter case, because of the direct ownership of the property, the invested capital and net income of the branch form a part of the invested capital and net income of the entire organization. Where such branches or units of a business are owned and controlled through the medium of separate corporations, it is necessary to require a consolidated return in order that the invested capital and net income of the entire group may be accurately determined. Otherwise opportunity would be afforded for the evasion of taxation by the shifting of income through price fixing, charges for services and other means by which income could be arbitrarily assigned to one or another unit of the group. In other cases without a consolidated return excessive taxation might be imposed as a result of purely artificial conditions existing between corporations within a controlled group. See articles 785, 791, 802 and 864-869.

Art. 632. Consolidated returns. Affiliated corporations, as defined in the statute and in article 633, are required to file consolidated returns on form 1120. The consolidated return shall be filed by the parent or principal reporting corporation in the office of the collector of the district in which it has its principal office. Each of the other affiliated corporations shall file in the office of the collector of its district form 1122, along with the several schedules indicated thereon. The parent or principal corporation filing a consolidated return shall include in such return a statement specifically setting forth (a) the name and address of each of the subsidiary or affiliated corporations included in such return, (b) the par value of the total outstanding capital stock of each of such corporations at the beginning of the taxable year, (c) the par value of such capital stock held by the parent corpora-

tion or by the same interests at the beginning of the taxable year, (d) in the case of affiliated corporations owned by the same interests, a list of the individuals or partnerships constituting such interests, with the percentage of the total outstanding stock of each affiliated corporation held by each of such individuals or partnerships during all of the taxable year, and (e) a schedule showing the proportionate amount of the total tax which it is agreed among them is to be assessed upon each affiliated corporation. Foreign corporations and personal service corporations need not file consolidated returns. See article 1524.

Art. 633. When corporations are affiliated. Corporations will be deemed to be affiliated (a) when one domestic corporation owns directly or controls through closely affiliated interests or by a nominee or nominees substantially all the stock of the other or others, or (b) when substantially all the stock of two or more domestic corporations is owned or controlled by the same interests. The words "substantially all the stock" cannot be interpreted as meaning any particular percentage, but must be construed according to the facts of the particular case. The owning or controlling of 95 per cent or more of the outstanding voting capital stock (not including stock in the treasury) at the beginning of and during the taxable year will be deemed to constitute an affiliation within the meaning of the statute. Consolidated returns may, however, be required even though the stock ownership is less than 95 per cent. When the stock ownership is less than 95 per cent, but in excess of 50 per cent, a full disclosure of affiliations should be made, showing all pertinent facts, including the stock owned in each subsidiary or affiliated corporation and the percentage of such stock owned to the total stock outstanding. Such statement should preferably be made in advance of filing the return, with a request for instructions as to whether a consolidated return should be made. In any event such a statement should be filed as a part of the return. The words "the same interests" shall be deemed to mean the same individual or partnership or the same individuals or partnerships, but when the stock of two or more corporations is owned by two or more individuals or by two or more partnerships a consolidated return is not required unless the percentage of stock held by each individual or each partnership is substantially the same in each of the affiliated corporations.

Art. 634. Change in ownership during taxable year. When one corporation owns substantially all the stock of another corporation at the beginning of any taxable year, but during the taxable year sells all or a majority of such stock to outside interests not affiliated with it, or when one corporation during any taxable year acquires substantially all the capital stock of another corporation with which it was not previously affiliated, a full disclosure of the circumstances of such changes in ownership shall be submitted to the Commissioner. In accordance with the peculiar circumstances in each case the Commissioner may require separate or consolidated returns to be filed, to the end that the tax may be equitably assessed.

Art. 635. Corporation deriving chief income from Government contracts. In the case of any affiliated corporation organized after August 1, 1914, and not a successor to a then existing business, 50 per cent or more of whose gross income consists of gains, profits, commissions or other income derived from a Government contract or contracts made between April 6, 1917, and November 11, 1918, both dates inclusive, the net income and invested capital of such corporation shall be taken out of the consolidated net income and invested capital of the group of affiliated corporations and the corporation so segregated shall be separately assessed on the basis of its own invested capital and net income, the remainder of such affiliated group being assessed on the basis of the remaining consolidated invested capital and net income. See section 1 of the statute and article 1510.

Art. 636. Domestic corporation affiliated with foreign corporation. A domestic corporation which owns a majority of the stock of a foreign corporation shall not be permitted or required to include the net income or invested capital of such foreign corporation in a consolidated return, but for the purpose of section 238 of the statute a domestic corporation which owns a majority of the voting stock of a foreign corporation shall be entitled to credit its income, war profits and excess profits taxes with any income, war profits or excess profits taxes paid (but not including taxes accrued) by such foreign corporation during the taxable year to any foreign country or to any possession of the United States upon income derived from sources without the United States in an amount equal to the proportion which the amount of any divi-

dends (not deductible under section 234) received by such domestic corporation from such foreign corporation during the taxable year bears to the total taxable income of such foreign corporation upon or with respect to which such taxes were paid. But in no such case shall the amount of the credit for such taxes exceed the amount of such dividends (not deductible under section 234) received by such domestic corporation during the taxable year. A domestic corporation seeking such credit must comply with those provisions of subdivision (a) of article 383 which are applicable to credits for taxes already paid, except that in accordance with article 611 the form to be used is form 1118 instead of form 1116.

Art. 637. Consolidated net income of affiliated corporations. Subject to the provisions covering the determination of taxable net income of separate corporations, and subject further to the elimination of intercompany transactions, the consolidated taxable net income shall be the combined net income of the several corporations consolidated, except that the net income of corporations coming within the provisions of article 635 shall be taken out. In respect of the statement of gross income and deductions and the several schedules required under form 1120, a corporation filing a consolidated return is required to prepare and file such statements and schedules in columnar form to the end that the details of the items of gross income and deductions for each corporation included in the consolidation may be readily audited.

Art. 638. Different fiscal years of affiliated corporations. In the case of all consolidated returns, consolidated invested capital must be computed as of the beginning of the taxable year of the parent or principal reporting company and consolidated income must be computed on the basis of its taxable year. Whenever the fiscal year of one or more subsidiary or other affiliated corporations differs from the fiscal year of the parent or principal corporation, the Commissioner should be fully advised by the taxpayer in order that provision may be made for assessing the tax in respect of the period prior to the beginning of the fiscal year of the parent or principal company. See section 226 of the statute and article 431.

“ Page 1 of Instructions.”**“ Corporations not in Existence During Prewar Period.”**

Sec. 311. (c) If the corporation was not in existence during the whole of at least one calendar year during the prewar period, then, except as provided in subdivision (d), the war-profits credit shall be the sum of:

(1) A specific exemption of \$3,000; and

(2) An amount equal to the same percentage of the invested capital of the taxpayer for the taxable year as the average percentage of net income to invested capital, for the prewar period, of corporations engaged in a trade or business of the same general class as that conducted by the taxpayer; but such amount shall in no case be less than 10 per centum of the invested capital of the taxpayer for the taxable year. Such average percentage shall be determined by the Commissioner on the basis of data contained in returns made under Title II of the Revenue Act of 1917, and the average known as the median shall be used. If such average percentage has not been determined and published at least 30 days prior to the time when the return of the taxpayer is due, then for purposes of such return 10 per centum shall be used in lieu thereof; but such average percentage when determined shall be used for the purposes of section 250 in determining the correct amount of the tax.

Method of Determination.

(d) The war-profits credit shall be determined in the manner provided in subdivision (b) instead of in the manner provided in subdivision (c), in the case of any corporation which was not in existence during the whole of at least one calendar year during the prewar period, if (1) a majority of its stock at any time during the taxable year is owned or controlled, directly or indirectly, by a corporation which was in existence during the whole of at least one calendar year during the prewar period, or if (2) 50 per centum or more of its gross income (as computed under section 233 for income tax purposes) consists of gains, profits, commissions, or other income, derived from a Government contract or contracts made between April 6, 1917, and November 11, 1918, both dates inclusive.

Art. 783. War profits credit where no prewar period. If a corporation had no prewar period, then the war profit credit consists of the sum of the specific exemption of \$3,000 and an amount equal to the same percentage of the invested capital for the taxable year as the average percentage of net income to invested capital for the prewar period of corporations engaged in a trade or business of the same general class as that conducted by the taxpayer, but not less than 10 per cent of its invested capital for the taxable year. The war profits credit shall be computed in the first instance on the basis of 10 per cent of the invested capital, and when the average percentage of corporations engaged in the same general class of trade or business has been determined the amount of the tax will if necessary be recomputed. See section 250 of the statute and articles 784 and 1001.

Art. 784. War profits credit where no prewar period in special circumstances. If a corporation had no prewar period, but (a) if a majority of its stock at any time during the taxable year was owned or controlled by a corporation which was in existence during the whole of at least one calendar year during the prewar period, or (b) if 50 per cent or more of its gross income consisted of income derived from Government contracts made after April 5, 1917, and before November 12, 1918, then the war profits credit is to be determined as provided in article 782 instead of in the manner provided in article 783.

“ Credit for Income, etc., Taxes Paid to Foreign Country, etc.”

Art. 611. Credit for foreign taxes. For the meaning of the terms used in section 238 of the statute see section 1 and article 382. To secure such a credit a domestic corporation must pursue the same course as that prescribed for an individual by article 383, except that form 1118 is to be used for claiming credit and form 1119 for the bond, if a bond be required. For the redetermination of the tax, when a credit for such taxes has been rendered incorrect by later developments, see article 384, all of the provisions of which apply with equal force to a corporation taxpayer. For credit where taxes are paid by a foreign corporation controlled by a domestic corporation see article 636. A claim for credit in such a case is also to be made on form 1118.

(The text of the Articles referred to in the preceding paragraph is as follows):

Art. 382. Meaning of returns. "Amount of . . . taxes paid during the taxable year" means taxes proper (no credit being given for amounts representing interest or penalties) paid or accrued during the taxable year on behalf of the individual claiming credit. "Foreign country" includes within its meaning any foreign sovereign state or self-governing colony (for example, the Dominion of Canada), but does not include a foreign municipality (for example, Montreal) unless itself a sovereign State (for example, Hamburg). "Any possession of the United States" includes, among others, Porto Rico, the Philippines and the Virgin Islands. As to the meaning of "sources" see articles 91-93. See also section 1 of the statute.

Art. 383. Conditions of allowance of credit. (a) When credit is sought for income, war profits or excess profits taxes paid other than to the United States, the income tax return of the individual must be accompanied by form 1116, carefully filled out with all the information there called for and with the calculations of credits there indicated, and duly signed and sworn to or affirmed. When credit is sought for taxes already paid the form must have attached to it the receipt for each such tax payment. When credit is sought for taxes accrued the form must have attached to it the return on which each such accrued tax was based. This receipt or return so attached must be either the original, a duplicate original, a duly certified or authenticated copy, or a sworn copy. In case only a sworn copy of a receipt or return is attached, there must be kept readily available for comparison on request the original, a duplicate original or a duly certified or authenticated copy. (b) In the case of a credit sought for a tax accrued but not paid, the Commissioner may require as a condition precedent to the allowance of credit a bond from the taxpayer in addition to form 1116. If such a bond is required, form 1117 shall be used for it. It shall be in such penal sum as the Commissioner may prescribe, and shall be conditioned for the payment by the taxpayer of any amount of tax found due upon any redetermination of the tax made necessary by such credit proving incorrect, with such further conditions as the Commissioner may require. This bond shall be executed by the taxpayer, his agent or repre-

sentative, as principal, and by sureties satisfactory to and approved by the Commissioner. See also section 1320 of the statute.

Art. 384. Redetermination of tax when credit proves incorrect. In case credit has been given for taxes accrued, or a proportionate share thereof, and the amount that is actually paid on account of such taxes, or a proportionate share thereof, is not the same as the amount of such credit, or in case any tax payment credited is refunded in whole or in part, the taxpayer shall immediately notify the Commissioner. The Commissioner will thereupon redetermine the amount of the income tax of such taxpayer for the year or years for which such incorrect credit was granted. The amount of tax, if any, due upon such redetermination shall be paid by the taxpayer upon notice and demand by the collector. The amount of tax, if any, shown by such redetermination to have been overpaid shall be credited against any income, war profits or excess profits taxes, or installment thereof, then due from such taxpayer under any other return, and any balance of such amount shall be immediately refunded to him. See section 252 of the statute and articles 1031-1038.

“ Provisions Affecting Computation of War Profits and Excess Profits Tax.”

Sec. 303. That if part of the net income of a corporation is derived (1) from a trade or business (or a branch of a trade or business) in which the employment of capital is necessary, and (2) a part (constituting not less than 30 per centum of its total net income) is derived from a separate trade or business (or a distinctly separate branch of the trade or business) which if constituting the sole trade or business would bring it within the class of “personal service corporations,” then (under regulations prescribed by the Commissioner with the approval of the Secretary) the tax upon the first part of such net income shall be separately computed (allowing in such computation only the same proportionate part of the credits authorized in sections 311 and 312), and the tax upon the second part shall be the same percentage thereof as the tax so computed upon the first part is of such first part: Provided, That the tax upon such second part shall in no case be less than 20 per centum thereof, unless the tax upon the entire net income, if computed without benefit of this section,

would constitute less than 20 per centum of such entire net income, in which event the tax shall be determined upon the entire net income, without reference to this section, as other taxes are determined under this title. The total tax computed under this section shall be subject to the limitations provided in section 302.

Sec. 304 (a) That the corporations enumerated in section 231 shall, to the extent that they are exempt from income tax under Title II, be exempt from taxation under this title.

(b) Any corporation whose net income for the taxable year is less than \$3,000 shall be exempt from taxation under this title.

(c) In the case of any corporation engaged in the mining of gold, the portion of the net income derived from the mining of gold shall be exempt from the tax imposed by this title, and the tax on the remaining portion of the net income shall be the proportion of a tax computed without the benefit of this subdivision which such remaining portion of the net income bears to the entire net income.

Sec. 337. That in the case of a bona fide sale of mines, oil or gas wells, or any interest therein, where the principal value of the property has been demonstrated by prospecting or exploration and discovery work done by the taxpayer, the portion of the tax imposed by this title attributable to such sale shall not exceed 20 per centum of the selling price of such property or interest.

Art. 741. Apportionment of invested capital and net income. For the purpose of determining whether or not a corporation partly partaking of the nature of a personal service corporation is within the scope of section 303 of the statute and also for the purpose of establishing the basis for the computation of the tax, the corporation shall apportion or allocate its invested capital between each trade or business or branch thereof as nearly as may be in accordance with the actual facts, and shall submit with its return an explanatory statement setting forth the manner in which the apportionment of the invested capital employed in the production of each part of its net income has been determined. There must be assigned to any personal service trade or business or branch thereof an amount of invested capital at least as great as that which would ordinarily be employed by a personal service corporation of similar size and standing for the payment of sal-

aries and office expenses, maintenance of library and equipment, credit advances to clients, etc.

Art. 742. Computation of tax upon net income. (1) The tax upon the non-personal service part of the net income is computed upon the basis of (a) such part of the entire average net income for the prewar period as was derived from the same trade or business or branch thereof; (b) such part of the entire average invested capital for the prewar period as was employed in the production of the part of the net income for that period determined under (a); (c) such part of the entire invested capital for the taxable year as has been employed in the production of the net income upon which the tax is being computed; and (d) the same proportion of the specific exemption and credits as the proportion which the part of the net income upon which the tax is being computed is of the entire net income. If the corporation was in existence during the prewar period, but did not conduct this trade or business or branch thereof during that period, the war profits credit shall be computed as provided in section 311 (b) of the statute.

(2) The tax upon the personal service part of the net income is the same percentage thereof as the tax computed under (1) is of the non-personal service part of the net income. The tax under this paragraph shall in no case be less than 20 per cent of the personal service part of the entire net income, unless the tax upon the entire net income if computed in the ordinary way would be less than 20 per cent of such entire net income. In that event, and in any case in which the amount of the total tax as computed under this article is the same as or greater than the tax as computed in the ordinary way, the tax shall be computed under section 301 of the statute. See section 302 and articles 711-720 and 731 and 732.

Art. 743. Illustration of computation of tax. A corporation is engaged in contracting and construction work (a non-personal service business in which the employment of capital is necessary) and also renders consulting engineering service (a personal service business which if constituting its sole business would bring it within the class of personal service corporations). It has an average prewar invested capital of \$50,000 (of which \$38,000 was used in contracting work and \$12,000 in engineering); an average

prewar net income of \$52,000 (of which \$12,000 was derived from contracting and \$40,000 from engineering); an invested capital for 1918 of \$100,000 (of which \$81,000 is used in contracting and \$19,000 in engineering); and a net income for 1918 of \$90,000 (of which \$30,000 is derived from contracting and \$60,000 from engineering).

(1) In computing the tax upon the first or non-personal service part of the net income (i. e., \$30,000 derived from contracting) the specific exemption is \$1,000 (i. e., the same proportion of \$3,000 which \$30,000 is of the entire net income of \$90,000). The excess profits credit is a specific exemption of \$1,000, plus 8 per cent of the invested capital used in contracting (i. e., 8 per cent of \$81,000) or \$6,480, a total of \$7,480. The war profits credit is a specific exemption of \$1,000, plus the average prewar net income derived from contracting or \$12,000, plus 10 per cent of \$43,000 (the difference in invested capital used in contracting) or \$4,300, making a total of \$17,300.

First bracket. The amount of the net income derived from contracting (\$30,000) in excess of the excess profits credit (\$7,480) and not in excess of 20 per cent of the invested capital (i. e., 20 per cent of \$81,000) or \$16,200 is \$8,720. The tax under this bracket is 30 per cent of this amount (i. e., 30 per cent of \$8,720) or \$2,616.

Second bracket. The amount of the net income derived from contracting (\$30,000) in excess of 20 per cent of the invested capital used in contracting (i. e., 20 per cent of \$81,000) or \$16,200 is \$13,800. The tax computed under this bracket is 65 per cent of this amount (65 per cent of \$13,800) or \$8,970.

Third bracket. Eighty per cent of the amount of the net income derived from contracting in excess of the war profits credit (i. e., 80 per cent of the amount by which \$30,000 exceeds \$17,300 or 80 per cent of \$12,700) is \$10,160. The amount of the tax computed under the first and second brackets (\$2,616 plus \$8,970) is \$11,586. There is no tax under this bracket, as \$10,160 does not exceed \$11,586.

Tax. The tax upon the first portion of the net income (i. e., \$30,000 derived from contracting) is the sum of the taxes computed under the three brackets (i. e., \$2,616 plus \$8,970 plus

nothing) or \$11,586. This is 38.62 per cent of \$30,000 of the net income from contracting.

(2) The tax upon the second or personal service part of the net income (i. e., \$60,000 derived from engineering) is the same percentage of such part of the net income (i. e., 38.62 per cent of \$60,000) or \$23,172.

(3) The total tax is the sum of \$11,586 (the tax upon the first part of the net income derived from contracting) and \$23,172 (the tax upon the second part of the net income derived from engineering) or \$34,758.

Art. 752. Net income exempt from tax. If a corporation is engaged in the mining of gold, the portion of its net income derived from that source is exempt from tax. The tax on the remaining portion of its net income is the proportion of the tax that would have been payable, had the entire net income been derived from other sources than the mining of gold, which such remaining portion of the net income bears to the entire net income. For the method of determining the net income derived from the mining of gold see article 715.

Art. 753. Illustration of computation of tax where net income from gold mining. In the case of the corporation used as an illustration in article 716 let it be assumed that it is engaged in the mining both of gold and of other rare metals; that the Commissioner finds under article 715 that \$35,000 of its gross income is properly attributable to the mining of gold; and that \$20,000 of the deductions allowed are properly applicable to the gross income from that source. The portion of the net income attributable to the mining of gold and exempt from tax would be \$15,000. The remaining portion of the net income is \$25,000 and the tax thereon is the same proportion of the tax computed on the entire net income without the benefit of the exemption (i. e., a tax of \$17,600) which the remaining portion of the net income (\$25,000) bears to the entire net income (\$40,000). The tax will therefore be $\frac{5}{8}$ of the tax of \$17,600 computed without the benefit of the exemption, or \$11,000.

Art. 971. Tax on sale of mineral deposits. In the case of a sale of mines, oil or gas wells, or any interest therein, as described in article 13, the portion of the war profits and excess profits tax attributable to such a sale shall not exceed 20 per cent of the

selling price. To determine the application of this provision to a particular case the corporation should compute the war profits and excess profits tax in the ordinary way upon its net income, including its net income from any such sale. The proportion of the total tax indicated by the ratio which the taxpayer's net income from the sale of the property, computed as prescribed in article 715, bears to its total net income is the portion of the tax attributable to such sale, and if it exceeds 20 per cent of the selling price of the property such portion of the tax shall be reduced to that amount. See articles 219, 220 and 221.

Art. 972. Illustration of computation of tax. In the case of the corporation used as an illustration in article 716, let it be assumed that its gross income for 1918 included \$15,000 derived from a bona fide sale of an oil well, the principal value of which had been demonstrated by exploration and discovery work done by the corporation and that the Commissioner finds under article 715 that only \$800 of the deductions allowed are properly applicable to the gross income derived from the sale. The portion of the net income attributable to the sale would be \$14,200, which is 35.5 per cent of the entire net income of \$40,000, and the portion of the tax for that year attributable to the sale will be 35.5 per cent of the entire tax of \$17,600, or \$6,248. But this portion of the tax cannot exceed 20 per cent of the selling price (\$15,000) and is accordingly reduced to \$3,000. The total tax will be \$11,352 (the portion of the tax not affected) plus \$3,000, or \$14,352 (instead of \$17,600).

“ Treatment of Special Cases.”

“ Determination of First Installment of Tax in Special Cases.”

(The instructions given in the return under these headings are identical in language with Arts. 901 and 912 referred to therein. These articles are therefore not reproduced here.)

“ Undistributed Profits Taxable to Stockholders.”

Sec. 220. That if any corporation, however created or organized, is formed or availed of for the purpose of preventing the imposi-

tion of the surtax upon its stockholders or members through the medium of permitting its gains and profits to accumulate instead of being divided or distributed, such corporation shall not be subject to the tax imposed by section 230, but the stockholders or members thereof shall be subject to taxation under this title in the same manner as provided in subdivision (e) of section 218 in the case of stockholders of a personal service corporation, except that the tax imposed by Title III shall be deducted from the net income of the corporation before the computation of the proportionate share of each stockholder or member. The fact that any corporation is a mere holding company, or that the gains and profits are permitted to accumulate beyond the reasonable needs of the business, shall be prima facie evidence of a purpose to escape the surtax; but the fact that the gains and profits are in any case permitted to accumulate and become surplus shall not be construed as evidence of a purpose to escape the tax in such case unless the Commissioner certifies that in his opinion such accumulation is unreasonable for the purposes of the business. When requested by the Commissioner, or any collector, every corporation shall forward to him a correct statement of such gains and profits and the names and addresses of the individuals or shareholders who would be entitled to the same if divided or distributed, and of the amounts that would be payable to each.

Sec. 234. (14) (a) At the time of filing return for the taxable year 1918 a taxpayer may file a claim in abatement based on the fact that he has sustained a substantial loss (whether or not actually realized by sale or other disposition) resulting from any material reduction (not due to temporary fluctuation) of the value of the inventory for such taxable year, or from the actual payment after the close of such taxable year of rebates in pursuance of contracts entered into during such year upon sales made during such year. In such case payment of the amount of the tax covered by such claim shall not be required until the claim is decided, but the taxpayer shall accompany his claim with a bond in double the amount of the tax covered by the claim, with sureties satisfactory to the Commissioner, conditioned for the payment of any part of such tax found to be due, with interest. If any part of such claim is disallowed then the remainder of the tax due shall on notice and demand by the collector be paid by the taxpayer

with interest at the rate of 1 per centum per month from the time the tax would have been due had no such claim been filed. If it is shown to the satisfaction of the Commissioner that such substantial loss has been sustained, then in computing the taxes imposed by this title and by Title III the amount of such loss shall be deducted from the net income. (b) If no such claim is filed, but it is shown to the satisfaction of the Commissioner that during the taxable year 1919 the taxpayer has sustained a substantial loss of the character above described then the amount of such loss shall be deducted from the net income for the taxable year 1918 and the taxes imposed by this title and by Title III for such year shall be redetermined accordingly. Any amount found to be due to the taxpayer upon the basis of such redetermination shall be credited or refunded to the taxpayer in accordance with the provisions of section 252.

Art. 261. Losses in inventory and from rebates. Taxpayers are allowed deductions from net income for the taxable year 1918 for losses resulting (a) from material reductions after the close of the taxable year 1918 of the values of inventories for such taxable year, and (b) from actual payments after the close of the taxable year 1918 of rebates in pursuance of contracts entered into during such year upon sales made during such year. The taxable year of the taxpayer, whether calendar or fiscal, is meant in every case. Such deductions may be secured by two methods, either by a claim in abatement or by a claim for refund, and must not be entered upon the regular return.

Art. 351. Profits of corporation taxable to stockholders. Where a domestic or foreign corporation permits its gains and profits to accumulate for the purpose of preventing the imposition of the surtax upon such income if distributed to its stockholders, it shall not be subject to the income tax as a corporation, but its stockholders shall be subject to tax in the same way as the stockholders of a personal service corporation, except that the war profits and excess profits tax on the corporation shall first be deducted from its net income before computing the proportionate shares of the stockholders. See section 218 of the statute and articles 328-335. In any case the Commissioner or a collector may require a corporation to furnish a statement of its gains and profits and of the names, addresses and shareholdings of the

stockholders. If upon the basis of such statement or other evidence the Commissioner certifies that in his opinion its accumulation of profits is unreasonable for the purposes of the business, but only if he so certifies, the corporation and its stockholders shall make their returns accordingly.

“ Page 2 of Instructions.”

“ Returns — Liability for Filing.”

Art. 91. Gross income of nonresident alien individuals. In the case of nonresident alien individuals “ gross income ” means only the gross income from sources within the United States. This includes interest on bonds, notes or other interest-bearing obligations of residents, corporate or otherwise, dividends from resident corporations, amounts received representing profits on the manufacture or disposition of goods within the United States, rentals and royalties from property and income from business carried on in the United States, interest on deposits in banks located within the United States, income from capital otherwise invested in the United States, and income from services rendered or labor performed within the United States. For what is a resident corporation see article 1509. As to the gross income of foreign corporations see section 233 (b) of the statute and article 550.

Art. 92. Income of nonresident alien individuals not subject to tax. Salaries, wages, commissions and rents paid by domestic business enterprises to nonresident alien employees for services rendered entirely in a foreign country or for property located in a foreign country are not subject to tax as income from a source within the United States. Dividends on stock and interest on notes of corporations organized in the United States, but doing no business and owning no property therein, paid to nonresident alien individuals or corporations, are not subject to the tax. The tax does not apply to charter money or freight payments received by a foreign owner in regard to a vessel operated between the United States and foreign ports, if the person receiving the income maintains no regular agency in the United States and is not doing business in the United States. Compensation received by nonresident alien munitions inspectors and purchasing agents from foreign governments is not subject to the tax.

("Art. 548 " is a misprint for "Art. 550," which is as follows):

Art. 550. Gross income of foreign corporations. The gross income of a foreign corporation or insurance company means its gross income from sources within the United States, as defined and described in articles 91-93 relating to nonresident alien individuals. The income from business relating to a foreign country which is transacted by a United States branch or agency of a foreign insurance company must be returned as gross income.

Art. 624. Returns of personal service corporations. Every personal service corporation must make a return of income, regardless of the amount of its net income. The return shall be on form 1065 (revised). It shall be made for the taxable year of the personal service corporation; that is, for its annual accounting period (fiscal year or calendar year, as the case may be), regardless of the taxable years of its stockholders. See sections 200, 212 and 218 of the statute and articles 1523-1532, 25, 26 and 328-335. If the personal service corporation makes any change in its accounting period it shall render its return in accordance with the provisions of section 226 of the statute and article 431. The return of a personal service corporation shall state specifically (a) the items of its gross income enumerated in section 213 of the statute; (b) the deductions enumerated in section 214 of the statute, other than the deduction provided in paragraph (11) of subdivision (a) of that section; (c) the amounts specified in subdivisions (a) and (b) of section 216 of the statute received by the personal service corporation; (d) the amount of any income, war profits and excess profits taxes of the personal service corporation paid during the taxable year to a foreign country or to any possession of the United States, and the amount of any such taxes accrued but not paid during the taxable year; (e) the amounts distributed by the corporation during its taxable year with the dates of distribution; (f) the names and addresses of the stockholders of the corporation at the close of its taxable year and their respective shares in such corporation; (g) such facts as tend to show whether or not the corporation is a personal service corporation; and (h) such other facts as are required by the form. A personal service corporation which makes a return for a fiscal year beginning in 1917 shall include therein all the facts required

for the computation of income and excess profits taxes under Title I of the Revenue Act of 1916, as amended by the Revenue Act of 1917, and under Titles I and II of the Revenue Act of 1917. See sections 205 and 335 of the statute and articles 1621-1625 and 951.

Art. 625. Returns of foreign corporations. Every foreign corporation having income from sources within the United States must make a return of income on form 1120. If such a corporation has no office or place of business here, but has a resident agent, he shall make the return. It is not necessary, however, for it to be required to make a return that the foreign corporation shall be engaged in business in this country or that it have any office, branch or agency in the United States. See articles 404, 550 and 573.

“ Returns — Period Covered.”

(For text of Art. 26 see page 57.)

Art. 431. Returns when accounting period changed. No return can be made for a period of more than twelve months. A separate return for a fractional part of a year is, therefore, required wherever there is a change, with the approval of the Commissioner, in the basis of computing net income from one taxable year to another taxable year or wherever a taxpayer making his first return of income does so on the basis of a fiscal year. The periods to be covered by such separate returns in the several cases are stated in the statute. The requirements with respect to the filing of a separate return and the payment of tax for a part of a year are the same as for the filing of a return and the payment of tax for a full taxable year closing at the same time. See sections 227 and 250 of the statute and articles 441-448 and 1001. The tax on net income computed on the basis of the period for which a separate return is made shall be paid thereon at the rate for the calendar year in which such period is included, and the credits for personal exemption and dependents shall be such proportion of the full credits as the number of months in such period bears

to twelve months. See section 216 and article 305. See further section 212 and articles 25 and 26, and as to corporations sections 232 and 239 and articles 531 and 626.

“ Returns — Time and Place for Filing.”

(Article 442 is now Article 443. For text of this and also Art. 444 see pages 101, 182.)

FORMS

DELAWARE.

Annual Report of Domestic Corporation.

Report of

Date of Incorporation

Officers	Name	Address	Term Expires
President,
Vice-President,
Treasurer,
Secretary,
Directors,
.....
.....
.....

Principal Office in Delaware—

Street and Number,

Street and Number,

Name of Agent in charge upon whom service of process may be made,

Places of business outside of Delaware—

Towns or Cities.	Streets and Number
.....
.....
.....
.....

Date of next Annual Meeting of Stockholders for the election of Directors

I, the undersigned, do hereby certify as.....
 (President or Treasurer)
 of the Company, that the foregoing
 return is correct and true.

..... (L. S.)
 Address

Witness

The above certificate is made in conformity with the Act of
 March 10, 1899, and all Acts amendatory thereto, which provides
 that if any officer of any company required by this Act to make
 a return, shall in such return make a false statement, he shall
 be deemed guilty of perjury.

(Endorsed): **ANNUAL REPORT.** Other Companies. Filed
day of....., 191... **BASIS OF ASSESS-**
MENT. Capital stock, \$..... Tax,
 This return **MUST** be sent addressed to the **Secretary of State,**
Dover, Del., BEFORE THE FIRST TUESDAY IN JANUARY.

STATE OF MAINE.

We,, President, and, Treasurer or Clerk, of....., a corporation organized under the laws of....., in compliance with the provisions of Chapter 51 of the Revised Statutes of 1916, do hereby certify as follows concerning said corporation:

1. That the name of said corporation is.....
.....
2. That the location of its principal office is.....
.....
3. That the names and addresses of its officers are as follows:

Name	Address
President,
Treasurer,
Clerk or Secretary,
Directors,
.....
.....
4. That the date of its annual meeting for election of officers is
5. That the amount of its capital stock authorized is.....
Dollars.
 That the number of shares is
 The amount of capital stock issued is—
 Preferred.....Dollars.
 Common.....Dollars.
 The par value of its shares is—
 Preferred.....Dollars.
 Common.....Dollars.
 The amount paid in thereon to the treasurer is—
 Preferred.....Dollars.
 Common.....Dollars.
6. Usual place of business in this State.....
7. To whom and where notice and copies of legal processes shall be addressed.....

In Witness Whereof, we have hereunto signed our names,

 this.....day of....., in the year nineteen
 hundred and

State of..... {
 { ss.:
19 ,

Then personally appeared the above named.....

 and severally made oath that the foregoing certificate, by them
 subscribed, is true to the best of their knowledge and belief.

Before me,

.....

N. B.—If out of Maine, oath before a Commissioner for Maine,
 or Notary Public; if within Maine, before a Notary Public or
 Justice of the Peace.

MAINE.

ANNUAL REPORT OF DOMESTIC CORPORATIONS.

To Hon. Frank W. Ball, Secretary of State.

In compliance with Sec. 28, Chap. 51, of the Revised Statutes of 1916, the **President Treasurer** of the.....
(Erase title not used.)

.....
makes the following return, under oath, of the names of its Directors, President, Treasurer and Clerk with the residence of each, the location of its principal office in this state and the amount of its authorized capital stock.

TO BE MADE ON OR BEFORE JUNE 1ST OF EACH YEAR.

Name of Directors	/	Residences
-------------------	---	------------

.....
.....
.....
.....

(Give street and number)

President,
Treasurer,
Maine Clerk,

Principal office is located at Number.....
Street in the City, Town of.....in the County of
(Erase word not used)

.....
Authorized Capital Stock, \$.....

.....
(President or Treasurer sign here)

....., ss.:19...

Then personally appeared.....**President Treasurer**

(Erase title not used)

of the and made oath to the
foregoing certificate, that the same is true.

Before me,

.....
Justice of Peace.

RETURN OF CORPORATIONS.

Section 28, Chapter 51, R. S. 1916.

Every corporation incorporated under the laws of this state, excepting religious, charitable, educational and benevolent corporations, and excepting such corporations as may be organized under the first fourteen sections of chapter sixty-two, and such corporations as are liable to a franchise tax other than the tax provided for in section eighteen of chapter nine, and such corporations as have been or may hereafter be excused from filing annual returns under the provisions of section thirty-three of this chapter, so long as their franchises remain unused, shall on or before the first day of June, annually, make a return to the secretary of state, signed by its president or treasurer, verified under oath, containing the names of its directors, president, treasurer and clerk, with the residence of each, the location of its principal office in this state, and the amount of its authorized capital stock; and for this purpose the secretary of state shall furnish blanks in proper form and safely keep in his office all such returns.

Section 29. A deposit of the return required in the three preceding sections in a postoffice, postage paid, properly directed, is a compliance therewith. For the neglect or refusal of its officer to make such return, the corporation forfeits five hundred dollars, to be recovered in an action of debt, to be prosecuted in the name of the state by the attorney-general.

EXPLANATORY OF**Section 28, Chapter 51, R. S. 1916.**

1. All corporations are liable to an annual franchise tax, except those organized under Chapter 62, being religious, charitable, educational, benevolent, etc., corporations issuing no stock and excepting corporations liable to a franchise tax under some other law, and such as may have been excused from filing annual returns.

2. If a corporation does not fall within the above exceptions, then it must make returns as herein provided on or before the first of June of each year.

3. In case a corporation has ceased to do business, it may be excused from making annual returns, which will relieve it also from the assessment of a franchise tax so long as it remains out of business. In case of resumption of business, notice must be given at once to the Secretary of State of the fact.

(Endorsed): Name of Corporation. Principal Office. Secretary of State's Office. Received and Filed.....

ANNUAL LIST OF STOCKHOLDERS.**STATE OF MAINE.**

.....19....

To the Hon. Secretary of State, of the State of Maine:

In compliance with the Statutes of the State of Maine; the
.....
of the
makes the following return of the names of all the Stockholders
in Maine of said Corporation, their residence, the amount of
stock owned by each, the whole amount paid in on the first day
of April, 191....

Names of Stockholders. Residence. Amount of Stock Owned by
Each.

.....
.....
.....
.....

Whole amount of Stock paid in April 1st, 191....,

Clerk or Treasurer sign here:

.....ss.191...

Personally appeared

treasurer of said company, and made oath to the foregoing.

Before me,

Justice of the Peace or Notary Public.

(Endorsed): Name of Corporation. Principal Office. Secretary of State's Office, Augusta, Maine. Received.....
191....

2. (a) The total assets of the corporation, and its liabilities, were as follows:—

Assets.

* Real estate	\$.....
Machinery .....	.....
Merchandise .....	.....
Notes .....	.....
Accounts receivable .....	.....
Cash .....	.....
Other assets (naming items).....	.....
<hr/>	
Total	\$.....

Liabilities.

Capital stock	\$.....
Mortgages .....	.....
Notes payable .....	.....
Accounts payable .....	.....
Other liabilities (naming items).....	.....
<hr/>	
Total	\$.....

- (b) Of the above assets of the corporation there was situated outside of Massachusetts and subject to taxation where located property valued as follows:—

Real estate	\$.....in the State of.....
Machinery	.....in the State of.....
Merchandise	.....in the State of.....
Other assets (naming items)	.....in the State of.....
Total	\$.....

- *(c) Securities:—This schedule should include all securities owned by the corporation, those which if owned by a natural person resident in this Commonwealth would be liable to taxation, as well as those which would not be liable to taxation.

* The term “real estate, machinery and merchandise” is intended to cover all the tangible property of a business corporation, and the term “securities” all stocks, bonds and choses in action.

No. of Shares.	Description of Securities.	Value.
.....	\$.
.....	\$.
.....	\$.
.....	\$.

Location of Property in Massachusetts.

In this table should be set down the names of the places in Massachusetts in which the corporation has an office, store or factory, and the value of the tangible property of the corporation in each of such places. The term tangible property means real estate, machinery, tools and equipment, supplies and merchandise, including raw material and goods partly or wholly manufactured.


Note: Tangible property in places where Company does not operate its business should be reported as of the place where the business is carried on if within the Commonwealth.

City or Town in which Corporation has Office, Store or Factory.	Value of Real Estate.	Value of Machinery.	Value of Other Tangible Property. (See note.)
.....	\$.	\$.	\$.
.....
.....
.....

The items of this schedule must be fully and accurately given.

Stockholders.

The following is a complete list of the stockholders in said corporation, their residences and number of shares held by each on the first day of April, 1918:—

 The attention of Treasurers is called to the *necessity* of giving the *CORRECT RESIDENCE* of each stockholder. Strictly, the law requires the name of the *town or city* (not the post office) to be *written out in full* against each name,—and this is the only way to prevent mistakes.

Name.	Residence.	No. of Shares.	
		Common or General	Preferred
.....			
.....			
.....			
.....			

No part of the debts of this corporation as above set forth has been incurred for the purpose of reducing the amount of taxes to be paid by it. (Acts of 1909, Chap. 490, Part III, Sec. 41, clause third.)

In Witness Whereof, the said.....
Treasurer of theCompany
has hereto signed his name this.....day of.....
in the year 1918.

The Commonwealth of Massachusetts.

ss.....1918.

Then personally appeared the above-named.....

.....
Treasurer of theCompany
and made oath that the foregoing certificate by him subscribed is true to the best of his knowledge and belief.

Before me,

.....
Justice of the Peace.

(Endorsed): No. 1. Business Corporation. Franchise Tax Return, 1918. Copied.

ANNUAL CERTIFICATE OF CONDITION.**(Domestic Corporations.)**

It is expected that this blank can be readily filled from the report of affairs made to the stockholders at their annual meeting.

Corporations with a capital of \$100,000 or more must appoint an auditor to certify the certificate. (See Chapter 437, section 47.) [The fee for filing this certificate is \$5.00, and should accompany the certificate. Checks should be made payable to the order of the Secretary of the Commonwealth.]

We,President,
Treasurer, and
.....
.....

being a majority of the directors of the.....
.....

in compliance with the provisions of chapter 437 of the Acts of 1903, and all acts in amendment thereof and in addition thereto, do hereby certify:

1. That the name of said corporation is.....
2. That the location of its principal office in this Commonwealth is No.....Street [city or town],
and outside this Commonwealth, No.....Street
[city or town],, State of.....
3. That the date of the last annual meeting was.....
191....

The meeting must be held within ninety days after the end of the fiscal year.

4. That the total amount of its authorized capital stock is
.....

That said capital stock is divided into.....
shares, of which.....shares are preferred
and.....shares common, and the par value
of each share of said stock is

Preferred.....dollars.

Common.....dollars.

The amount issued and outstanding at said date was
shares preferred
shares common

The total amount then paid thereon was
 Preferred.....dollars.
 Common.....dollars.

5. That the assets and liabilities of the corporation, at the date of the end of its last fiscal year were as follows:—

.....191..

[Insert here date of end of fiscal year, which by section 20 should be not more than ninety days prior to the date fixed in the by-laws for the annual meeting.]

Assets.

Real estate \$.....

Machinery

Merchandise, including:

Manufactures, merchandise, material and stock
 in process

Cash and debts receivable..... ..

Patent rights

Trade-marks

Good will

Profit and loss

Total \$.....

Liabilities.

Capital stock \$.....

Accounts payable

Funded indebtedness

Floating indebtedness

Surplus

Profit and loss

Total \$.....

6. That the names and addresses of all the directors and officers of the corporation and the dates at which the term of office of each expires are as follows:—

Name of Office.	Names.	Addresses.	Expiration of Term of Office.
-----------------	--------	------------	----------------------------------

President			
Treasurer,			
Clerk,			
Directors,			

.....

.....

.....

.....

The committee selected at the annual meeting of this corporation, which has an outstanding capital stock of \$100,000 or more, at a meeting held at.....on the
day of....., A. D. 191..., has employed
 of
 as Auditor,
 pursuant to the provisions of section 47 of chapter 437 of the Acts of 1903, and of chapter 326, Acts of 1909.

President, Treasurer and majority of Directors should sign in space below.

In Witness Whereof, we have hereunto signed our names, this
day of.....in the year nineteen hundred
 and.....

.....

.....

.....

.....

The Commonwealth of Massachusetts.

....., ss., 19...

Then personally appeared the above-named.....

.....

and severally made oath that the foregoing certificate, by them subscribed, is true to the best of their knowledge and belief.

Before me,

.....
 Justice of the Peace.

[If out of Massachusetts, oath may be taken before a Commissioner for Massachusetts, or Notary Public; if within Massachusetts, before a Notary Public or Justice of the Peace.]

AUDITOR'S CERTIFICATE.

(This certificate is to be used only by corporations having a paid-in capital of \$100,000, or over.)

This auditor may not be a bookkeeper, treasurer or other officer of this corporation, who has signed and executed this statement. Chap. 300 of the Acts of 1908.

....., 191...

I,of
 the duly selected Auditor of.....
 a corporation duly established by law, hereby certify that I have completed the examination of the books of said corporation, and its certificate of condition as executed by its officers, to which this certificate is attached, and find that said certificate represents the true condition of the affairs of said corporation as disclosed by its books. This certificate is made by me in compliance with the provisions of section 47, chapter 437, of the Acts of 1903.

.....
 Auditor.

The Commonwealth of Massachusetts.

....., ss.191...

Then personally appeared the above-named.....

.....
and made oath that the above certificate by him subscribed is true.
Before me,

.....
Justice of the Peace.

(Endorsed):

MASSACHUSETTS CORPORATION.

(Write Nothing Below.)

.....
.....
.....

Certificate of Condition.

(Acts of 1903, Chap. 437, Sec. 45.)

Filed in the office of the Secretary of the Commonwealth,
....., 191....

I hereby approve the within certificate, this.....day of
....., A. D. 191....

.....
Commissioner of Corporations.

Editor's Note (not part of the official form): Where an auditor's certificate is required, any person, including employees of the corporation making the report, may act as auditor, provided the person so acting is not one of the officers who sign the report.

ANNUAL CERTIFICATE OF CONDITION.**(Foreign Corporations.)**

Acts of 1903, Chap. 437, Section 90. The fee for filing this certificate is \$5.00, and should accompany the certificate. Check should be made payable to the Secretary of the Commonwealth.

Payment of Excise Tax should also accompany this certificate. Check should be made payable to the Commonwealth of Massachusetts.

We,President,
 Treasurer, and

 being a majority of the Directors of.....

 a Corporation organized under the laws of the State of.....
having a usual place of business in.....
 in the Commonwealth of Massachusetts, in compliance with the
 provisions of chapter 490, Part III, Sec. 54, of the Acts of 1909,
 do hereby certify, that the amount of its authorized capital stock
 on the.....day of.....191...,
 (Not later than the date of annual meeting.)
 was dollars.

That the amount thereof then paid in was.....
 dollars.

That the assets and liabilities of the Corporation on the above
 date were as follows:—

Note.—This should be of a date not more than ninety days
 prior to the annual meeting.

Assets.

Real estate \$.....
 Machinery
 Merchandise:
 Manufactures, merchandise, material and stock
 in process

Cash and debts receivable.....	.....
Patent rights .....	.....
Trade-marks . . . . .	.....
Good will, .....	.....
Profit and loss .....	.....
	<hr/>
Total .....	.....

Liabilities.

Capital stock	\$.....
Accounts payable .....	.....
Funded indebtedness .....	.....
Floating indebtedness .....	.....
Surplus . . . . .	.....
Profit and loss .....	.....
	<hr/>
Total .....	.....

The names and addresses of the president, treasurer, clerk or secretary, and directors are:

Name.	Address.
President,
Treasurer,
Clerk or Secretary,
Directors,
.....
.....
.....
.....

State here the change, or changes, if any, since the filing of the certificate required by section 60, chapter 437, Acts of 1903, or since the filing of the last annual report, in the following particulars:

The name of the corporation.....
.....
The location of its principal office.....
.....

The date of annual meeting for election of officers.....

The amount of capital stock authorized is.....dollars.

The amount of capital stock issued is.....dollars.

The amount paid in thereon to the treasurer is—

Preferred.....dollars.

Common.....dollars.

The number of its authorized shares is—

Preferred.....

Common.....

The par value of its shares is—

Preferred.....dollars.

Common.....dollars.

The amount of such payment made otherwise than in money is as follows:—

Paid in property, viz.: [State here the number of shares issued
on each item.]

	Preferred.	Common.
Real estate:
location,		
area,		
Machinery
Merchandise
Bills receivable
Stocks and securities
Patent rights
Trade-marks
Copyrights
Good will
Services
Expenses
[State the nature of such services and expenses.]		

(Statute requires annual appointment of Auditor.)

The Board of Directors of this Corporation, which has an out-
standing capital stock of \$100,000 or more, at a meeting held at

.....on the
 day of, A. D. 191..., have employed

 ofas Auditor, pursuant to
 the provisions of section 55, of chapter 490, Part III, of the Acts
 of 1909, and of chapter 326, Acts of 1909.

**President, Treasurer and majority of Directors should sign in
 space below.)**

(This applies to every corporation, with or without auditor's
 appointment.)

In Witness Whereof, we have hereunto signed our names, this
day ofin the year nineteen
 hundred and.....

.....

State of..... }
 } ss.

.....191...

Then personally appeared the above-named.....

and severally made oath that the foregoing certificate, by them
 subscribed, is true to the best of their knowledge and belief.

* Before me,

.....

AUDITOR'S CERTIFICATE.

(This certificate is to be used only by corporations having a paid-in
 capital of \$100,000, or over.)

.....191...

I,of
 the duly selected Auditor of.....

a corporation duly established by law, hereby certify that I have completed the examination of the books of said Corporation, and its certificate of condition as executed by its officers, to which this certificate is attached, and find that said certificate represents the true condition of the affairs of said Corporation, as disclosed by its books. This certificate is made by me in compliance with the provisions of section 55 of chapter 490, Part III, of the Acts of 1909.

.....
Auditor.

THE COMMONWEALTH OF MASSACHUSETTS.

.....ss.191...

Then personally appeared the above-named.....

.....
and made oath that the above certificate by him subscribed is true.

Before me,

.....
Justice of the Peace.

* If out of Massachusetts, oath before a commissioner for Massachusetts or notary public; if within Massachusetts, before a notary public or justice of the peace.

(Endorsed):

[FOREIGN CORPORATIONS.]

.....
.....
.....

CERTIFICATE OF CONDITION.

(Acts of 1909, Chap. 490, Part III, Sec. 54.)

The treasurer and receiver general hereby certifies that the tax provided in section 56, chapter 490, Part III, of the Acts of 1909, has been paid.

Date.....

.....
Treasurer and Receiver General.
by.....Filed in the office of the Secretary of the Commonwealth,
.....191...I hereby approve the within certificate, this.....day of
....., A. D. nineteen hundred and..........
Commissioner of Corporations.

NOTES.

(See note to preceding report as to auditor's certificate.)

Payment of the excise tax levied on the basis of this report has in many instances been contested by foreign corporations on the ground that the business conducted in Massachusetts by such corporations consisted wholly of interstate commerce and was therefore exempt from state taxation. Among the leading cases on this point are the following:

Attorney General vs. Electric S. B. Co., 188 Mass. 241, where the court said that the statute did not apply to corporations whose usual place of business in Massachusetts was established and maintained solely for use in interstate commerce, but held further that where (as in the case before it) such office was used partly in the domestic business of the corporation, which also maintained a so-called "exide station" in Massachusetts for the purpose of repairing and furnishing repair materials for apparatus sold by it, such business was properly taxable.

In the case of *Baltic Mining Co. vs. Commonwealth*, 207 Mass. at page 387, the court, overruling plaintiff's contention that it was engaged solely in interstate commerce, indicated what acts would constitute carrying on a domestic business, in the following language: "Plaintiff's regular place of business in Boston is not used in interstate commerce. . . . It is used as a home in Massachusetts for this foreign corporation, for the financial management and direction of the company's affairs, where the president and treasurer have their offices, and the meetings of the board of directors are held. It could be given up or removed to any other state without affecting in any way the plaintiff's income from interstate commerce." This case was later affirmed by the U. S. Supreme Court (231 U. S. 68).

The following acts have in each instance been deemed to constitute carrying on local business and the corporations engaged therein to be properly subject to the excise tax on foreign corporations:

Keeping a stock of repair parts at a place of business in Massachusetts and supplying and selling them, in part locally, to users of machines made by the corporation in another state and sold in interstate commerce (*Lanston Monotype Co. vs. Mass.*, 146 U. S. 154).

Repairing autos made in another state and sold in interstate commerce, and selling second-hand autos taken in exchange for new ones so disposed of (*Locomotive Co. vs. Mass.*, 146 U. S. 154).

Where a corporation, to promote general trade in its product (manufactured in another state and sold in interstate commerce to wholesalers) maintained a local

office in Massachusetts with agents who solicited orders from local retailers and turned them over to local wholesalers, who filled them and were paid by the retailers (*Northwestern C. Milling Co. vs. Mass.*, 146 U. S. 155).

Where a holding company had an office in Massachusetts where it held stockholders' and directors' meetings, kept corporate records and accounts, received and deposited in bank regular dividends and paid the money, less salaries and expenses, regularly as dividends to its stockholders (*Copper Range Co. vs. Mass.*, 146 U. S. 155).

Maintaining a local office where proceeds of operations in another state were received, deposited locally and distributed to stockholders, and where directors held their regular meetings, elected officers and managed the general business of the corporation (*Champion Copper Co. vs. Mass.*, 145 U. S. 155).

On the other hand, where a foreign corporation maintained a local office in Massachusetts, with a stock of samples and a force of office and traveling salesmen, merely to obtain orders there and in other states subject to approval by its home office, for goods to be shipped directly to customers from its home state, the local business was held to be part of its interstate commerce and therefore not subject to the excise tax on foreign corporations (*Cheney Bros. Co. vs. Mass.*, 146 U. S. 153).

NEW JERSEY.

ANNUAL REPORT BY A DOMESTIC CORPORATION.

TheCompany.
Organized and Registered under the Laws of the State of New
Jersey:

The corporation above named, organized and registered under the Laws of the State of New Jersey, does hereby make the following report in compliance with the provisions of an act of the Legislature of New Jersey, entitled "An Act Concerning Corporations (Revision of 1896)," and the various acts amendatory thereof and supplemental thereto.

First—The name of the corporation is.....

Second—The location of the registered office is at No.....
..... Street,
and
is the agent upon whom process may be served.

Third—The character of the business is.....

Fourth—The amount of the authorized capital stock is
\$..... The amount actually issued and outstanding is
\$.....

Fifth—The names and addresses of all the Directors and Officers, and the term when the office of each expires, are as follows:

Names of Directors.	Address.	Expiration of Term.
.....
.....
.....
.....
.....

Officers:

President,

Vice-President,

2d Vice-President

Treasurer,

Secretary,

Sixth—The next annual meeting of the stockholders for election of Directors is appointed to be held on.....

.....

Seventh—The name of the corporation has been at all times displayed at the entrance of its registered office in this State, and the corporation has.....kept at its registered office in this State a transfer-book, in which the transfers of stock are made, and a stock-book, containing the names and addresses of the stockholders and the number of shares held by them respectively, open at all times to the examination of the stockholders as required by law.

Witness our hands the.....day of.....A. D. 191..

..... President.

..... Secretary.

(Endorsed):

ANNUAL REPORT FOR 191....

of the

..... Company,
organized under the laws of the State of New Jersey.

Directors, Officers, &c.

Filed191.....

.....
Secretary of State.

ANNUAL REPORT.

(Foreign Corporations.)

TheCompany.
Organized under the Laws of the State of.....

The corporation above named organized under the laws of the State of..... does hereby make the following report in compliance with the provisions of an act of the Legislature of New Jersey, entitled "An Act Concerning Corporations (Revision of 1896)," and the various acts amendatory thereof and supplemental thereto.

First—The name of the corporation is.....

.....
Second—The location of the registered office is at No.....
..... Street,
and
is the agent upon whom process may be served.

Third—The character of the business is.....

Fourth—The amount of the authorized capital stock is
\$...... The amount actually issued and outstanding is
\$......

Fifth—The names and addresses of all the Directors and Officers, and the term when the office of each expires, are as follows:

Names of Directors.	Address.	Expiration of Term.
.....
.....
.....
.....
.....

Officers :

President,
 Vice-President,
 2d Vice-President
 Treasurer,
 Secretary,

Sixth—The next annual meeting of the stockholders for election of Directors is appointed to be held on.....

Witness our hands the.....day of.....A. D. 19...
 President.
 Secretary.

(Endorsed) :

ANNUAL REPORT FOR 19....

of the

..... Company,
 organized under the laws of the State of.....

Directors, Officers, &c.

Filed 19...

.....
 Secretary of State.

NOTES ON NEW JERSEY ANNUAL REPORT.

This report is required from all foreign and domestic corporations except banking and insurance companies (General Corporation Act, Sec. 43), and must be filed within 30 days after the date appointed for holding the annual stockholders' meeting for election of directors, even though such meeting or election was not in fact held.

The registered office of the company in New Jersey may be given as the residence or post-office address of any officer or director, if desired (P. L. 1898, page 410).

“ Issued and outstanding ” stock includes so-called “ treasury stock ” which has been issued and repurchased by the issuing corporation, as well as all stock either fully or partly paid for in cash or property (Knickerbocker I. Co. vs. Assessors, 74 N. J. L. 583).

ANNUAL FRANCHISE TAX REPORT.

(Domestic Corporations.)

State of New Jersey.

STATE BOARD OF TAXES AND ASSESSMENT.

Report of the.....
.....

This Report must show Existing Conditions January 1st, 1919. All of the following questions **MUST** be answered, and wherever the proper answer is “ None ” or “ Nothing,” it should be so stated. Failure to make this Report will cause the Assessment to be made on the Full Authorized Capital Stock.

To effect a decrease of capital stock (whether authorized or issued capital stock), the procedure provided for under Section 29 of the General Corporation Act must be followed.

Stock once issued is and remains outstanding until retired and cancelled in the manner provided by law for the retirement and cancellation of capital stock.

Date of incorporation.....

Principal office in New Jersey—

City or town.....

Street and number

Name of Agent in charge.....

.....

President.

.....

Treasurer.

.....

Secretary.

392 FORMS OF CORPORATE REPORTS—NEW JERSEY.

1. What is the amount of your capital stock authorized?
\$.....

2. Into how many shares is it divided?.....

3. How many shares are fully paid, either in cash or by prop-
erty purchased?.....

4. How many shares are partially paid?.....

5. What is the amount of your capital stock issued?.....
.....

6. What is the nature of the business of your corporation?
.....

7. Is your corporation engaged in manufacturing or mining?
.....

8. If so, state where—

A. In New Jersey.....
City or Town.....
Street and number.....

B. If in other places, state where.....
City or Town.....
Street and number.....

9. What is the total amount of your capital stock invested in
manufacturing or mining? \$.....

10. What is the amount of your capital stock actually employed
in manufacturing or mining in New Jersey? \$.....

11. What is the local assessed valuation for 1918 of your cor-
poration's real and personal estate used in manufacturing or
mining in New Jersey?

Real Estate, \$.....

Personal, \$.....

I, the undersigned, do hereby certify as.....
(President or Treasurer.)

of theCompany,
that the foregoing return is correct and true.

.....[L. S.]

Address,

.....Witness.

The above certificate is made in conformity with Section 3 of the act of April 18th, 1884, which provides that if any officer of any company required by this act to make a return, shall in such return make a false statement, he shall be deemed guilty of perjury.

(The following is endorsed on the official form):

This report is required by the State Board of Taxes and Assessment of New Jersey under the provisions of Chapter 19, Laws of 1906, "A further supplement to an act entitled 'An act to provide for the imposition of state taxes upon certain corporations and for the collection thereof,' approved April eighteenth, one thousand eight hundred and eighty-four," approved March 12th, 1906, and in accordance with said act this report must be filed with said Board ON OR BEFORE THE FIRST TUESDAY OF MAY ANNUALLY.

"All corporations incorporated under the laws of this State, other than those which are subject to the payment of a State franchise tax assessed upon the basis of gross receipts, shall make annual return to the State Board of Assessors on or before the first Tuesday of May in each year, and shall state therein the amount of the capital stock of such corporations issued and outstanding on the first day of January preceding the making of said return, together with such other information as may be required by said Board to carry out the provisions of this act, and shall pay an annual license fee or franchise tax of one-tenth of one per centum on all amounts of capital stock issued and outstanding up to and including the sum of three million dollars; on all sums of capital stock issued and outstanding in excess of three million dollars and not exceeding five million dollars, an annual license fee or franchise tax of one-twentieth of one per centum, and the further sum of fifty dollars per annum per one million dollars, or any part thereof, on all amounts of capital stock issued and outstanding in excess of five million dollars; and any shares of stock either fully paid or partially paid in cash or by property purchased whether issued or otherwise shall be deemed to be shares of stock issued and outstanding until such shares or any substitute therefor shall have been retired and actually canceled; provided, that this act shall not apply to railway, canal or banking corporations, or to savings banks, cemeteries or religious corporations, or

purely charitable or purely educational associations not conducted for profit, or manufacturing or mining corporations at least fifty per centum of whose capital stock issued and outstanding is invested in mining or manufacturing carried on within this State, and which mining or manufacturing corporations shall have stated in the annual return to the State Board of Assessors where the mine or manufacturing establishment of such corporation or corporations is or are located, the character of the ores mined or the goods manufactured, the total amount of its capital stock embarked in the business of mining or manufacturing and the amount of capital stock actually employed in New Jersey in carrying on such mining or manufacturing business. If any manufacturing or mining company carrying on business in this State shall have less than fifty per centum of its capital stock, issued and outstanding, invested in business carried on within this State, such company shall pay the annual license fee or franchise tax herein provided for companies not carrying on business in this State, but shall be entitled, in the computation of such tax, to a deduction from the amount of its capital stock issued and outstanding of the assessed value of its real and personal estate so used in manufacturing or mining.’’

After the tax has been levied by the State Board of Taxes and Assessment any corporation which desires to appeal to said Board for a review of the assessment and a readjustment of the tax so levied must file with said Board within FOUR MONTHS from the date of assessment a petition of appeal, duly verified according to law, stating specifically the grounds upon which the appeal is taken, and the reasons why the tax is considered excessive and unjust. If the petition of appeal is not filed within four months, the right of appeal to the State Board shall be considered and treated as having been waived and the amount of tax levied shall be payable and collected as other taxes levied by said board.—P. L. 1916, Chapter 10.

(Endorsed):

1919

M. C.

.....

Filed,

Basis of Assessment: Capital Stock, \$.....
 Tax, \$.....

This return MUST be sent addressed to the State Board of Taxes and Assessment, Trenton, N. J., BEFORE THE FIRST TUESDAY IN MAY.

NOTES ON NEW JERSEY FRANCHISE TAX REPORT.

This report is not required from banking or insurance corporations or from any foreign corporations.

Although it is stated in the printed form that failure to make the report will result in a corporation being assessed on its entire authorized capital stock, the New Jersey courts have held that if the assessment levied against a delinquent corporation under such circumstances is too high such corporation may by certiorari proceedings have it reduced to the amount of the actually issued and outstanding stock (People's Investment Co. vs. Assessors, 66 N. J. L. 175; Trenton H. & P. Co. vs. Assessors, 73 N. J. L. 370).

Shares of stock either fully or partially paid for in cash or property are deemed to be "issued and outstanding" (Knickerbocker I. Co. vs. Assessors, 74 N. J. L. 583); and stock once issued remains outstanding until permanently retired and actually cancelled, even though it is owned by the issuing corporation (Goldstein F. Co. vs. Assessors, 83 N. J. L. 61). The transfer of stock to the treasury of the issuing corporation as "treasury stock" does not cancel or retire it (Knickerbocker I. Co. vs. Assessors, 74 N. J. L. 583).

This report is not conclusive against a corporation, and if by mistake the amount of stock issued and outstanding is stated too high, the corporation may show the truth and have the tax reduced even though the excessive tax has been paid (*Arimex Co. vs. Assessors*, 69 N. J. L. 121). Moreover, failure to make the report does not preclude a corporation from having its assessment reviewed and exemption ascertained by the courts (*Newark B. Works vs. Assessors*, 63 N. J. L. 500; *N. J. Zinc Co. vs. Hancock*, 63 N. J. L. 506).

Exemption for Manufacturing Companies.

There are four requisites to entitle a manufacturing or mining corporation to exemption from the State franchise tax: First. That at least 50 per centum of the capital stock of the corporation issued and outstanding on January 1st next preceding the annual return shall be invested in manufacturing carried on within this State. Second. That the annual return to the State Board of Assessors shall state where the manufactory is located, and the character of the goods manufactured. Third. The total amount of its capital embarked in the business of manufacturing, and the amount of the capital stock actually employed in New Jersey. Fourth. That the annual return to the State Board of Assessors shall have been made on or before the first Tuesday in May each year (*Hardin vs. Morgan*, 70 N. J. L. 484).

Simply having a place of business leased for the purpose of carrying on a manufacturing business does not entitle a corporation to exemption unless manufacturing is actually carried on there (*Halsey E. G. Co. vs.*

Assessors, 74 N. J. L. 321; see Edison Phono. Co. vs. Assessors, 57 N. J. L. 520).

When the corporation's factory is in process of erection the corporation is entitled to exemption as a manufacturing company (Burlington D. Co. vs. Assessors, 86 N. J. L. 92, affirmed 87 N. J. L. 315).

Printing books and general job printing is manufacturing, but publishing a newspaper is not (Press Printing Co. vs. Assessors, 51 N. J. L. 75; Evening J. Ass'n vs. Assessors, 47 N. J. L. 36).

Where a corporation owns the right to manufacture an article, but the actual manufacturing in New Jersey is carried on by another corporation, the first is not exempt as a manufacturing company (Edison Phono. Co. vs. Assessors, 57 N. J. L. 520).

Letters patent purchased by stock, under which patents manufacturing is carried on in New Jersey, may be considered part of the capital invested in manufacturing (Amer. Mutoscope Co. vs. Assessors, 70 N. J. L. 172).

NEW YORK.

FRANCHISE TAX REPORT.

(Foreign and Domestic Corporations.)

Corporations liable to taxation under Article IX-A of the Tax Law should not make this report.

This report is **NOT** to be made before October 31, 1918. When completed **MAIL** to State Tax Department, Albany, N. Y., to arrive not later than December 15, 1918.

(See Penalty Notice)

Asof the
..... Company,
I make the following report of such Company for the year ending
October 31, 1918, pursuant to the provisions of Section 192, Chap-
ter 60 of Consolidated Laws:

(1) The last preceding report made by this Company to the
State of New York under the provisions of the above acts was
for the year ending October 31, 191....

(2) Organized....., 19...,
under the laws of.....

(3) This Company began business in the State of New York
on.....19...

(4) Authorized capital stock of Company, \$.....

(5) Number of shares of stock authorized:

Common.....

Preferred.....

(6) Number of shares of stock issued:

Common.....

Preferred.....

(7) Par value of each share:

Common, \$.....

Preferred, \$.....

- (8) Amount paid into Treasury of Company on each share:
 Common, \$.....
 Preferred, \$.....

(9) Amount of capital stock issued for cash or property except as in (10), \$.....

(10) Amount of capital stock issued for good will, copyrights, brands, patents, trade-marks, formulae, services, etc., other than cash or property as in (9), \$.....

Dividends made or declared during year ending October 31, 1918:

(11) Amount of common stock on which dividends were declared, \$.....

(12) Amount and date of each dividend on common stock

(13) Rate per cent per annum of dividends on common stock

(14) Amount of preferred stock on which dividends were declared, \$.....

(15) Amount and date of each dividend on preferred stock

(16) Rate per cent per annum of dividends on preferred stock

(17) Net corporate income for the last fiscal or calendar year, \$.....

(18) Nature of business in State of New York and how transacted

(19) (a) Place, street and number where such business is conducted

(b) Where will mail reach the Company?.....

(Place, street and number)

(20) Give the exact location where this corporation maintained any store, warehouse, factory or place of business outside the State of New York.....

(21) Highest bona fide price at which stock sold during the year ending October 31, 1918:

Preferred, \$.....

Common,

(22) Lowest bona fide price at which stock sold during year ending October 31, 1918:

Preferred, \$.....

Common,

All amounts inserted below should be for the year ending
October 31, 1918.

FOREIGN and DOMESTIC corporations must answer all paragraphs 24-37 inclusive.

IN NEW YORK STATE.

(23) Average value of stock in trade carried during the year\$.....

(24) Average monthly bank and cash balance employed during the year.....\$.....

(25)† Average value of bills and accounts receivable during the year.....\$.....

(26)* Average cash value of shares of stocks of other corporations doing business in the State of New York and owned by this Company during the year.....\$.....

(27)‡ Average value of bonds, loans on call and other financial securities held, used or employed in New York during the year.\$.....

(28) Average value of all personal property other than heretofore mentioned during the year\$.....

(29) Average gross actual value of real estate located in the State of New York and owned by this Company during the year.\$.....

- (29a) Average assessed value of above real
 estate\$.
 Location
 Location
 Location

(In stating location, city or village or town must be given, with street and number.)

Total of assets above enumerated located in the State of New York during the year ending October 31, 1918\$.

Property classified under paragraph 10, page 1, should not appear below.

OUTSIDE NEW YORK STATE.

- (30) Average value of stock in trade carried during the year\$.
 (31) Average monthly bank and cash balance employed during the year.\$.
 (32)† Average value of bills and accounts receivable during the year.\$.
 (33)* Average cash value of shares of stocks of other corporations owned by this corporation where such corporations are doing business wholly without the State of New York\$.
 (34)‡ Average value of bonds, loans on call and other financial securities held, used or employed outside the State of New York during the year\$.
 (35) Average value of personal property, other than heretofore mentioned during the year\$.

- (36) Average gross actual value of real estate
located outside the State of New York
and owned by this Company during the
year, and where situated.....\$.....
- (36a) Average assessed value of above real
estate \$.....
- Location
- Location
- Location

(In stating location, city or village or town must be given, with street and number.)

**Total of assets above enumerated lo-
cated outside the State of New
York during the year ending Octo-
ber 31, 1918.....\$.....**

The word "average" wherever it appears in this report has its plain, ordinary significance; neither the highest amount nor the lowest, but the mean. The same method employed in determining average assets should be used in determining average liabilities.

‡ Bills and accounts receivable are generally located at the place from which the goods are shipped, provided the corporation there maintains at its own expense a place of business, including a store or warehouse. The residence of the debtor is of no importance.

* In answering Nos. 25 and 32, if the assets of the company whose stock is owned by your corporation are employed both "In" and "Outside" New York, an apportionment of your holdings may be made on the basis of employment.

† Assets in Nos. 26 and 33 should be considered as located wherever the same are held.

- (37) Average Liabilities:
- Bonds not secured by mortgage, average.\$.....
- Mortgages, average \$.....
- Bills payable, average.....\$.....
- Accounts payable, average.....\$.....

Other liabilities, not including capital
 stock, average as explained below...\$.....
 Total average liabilities.....\$.....

- (38) Percentage of total assets of the Company employed in
 manufacturing by the Company in the State of New York
 during the year ending October 31, 1918, and in the sale
 of the products so manufactured.....
 (39) Are goods handled by you manufactured for you by others
 or bought for sale?.....
 (40) Do you operate a factory?.....
 If so, where?.....

REMARKS.

.....

Officers Names:

..... President,
 Vice-President,
 Secretary,
 Treasurer.

The undersigned, being the.....
 of the above Company, estimates and appraises the capital stock
 of said Company as follows:

.....shares at.....dollars
cents per share, amounting in the whole to
 100 dollars

In Witness Whereof, I have set my hand this.....day of
, 191....

.....

(Official title)

Note.—Corporations paying six or more than six per centum
 on their ENTIRE issued capital stock need not appraise their
 capital stock; all others must appraise.

STATE OF NEW YORK,

County of....., ss.:

On this.....day of.....A. D. 191...,
personally appeared before me, a Notary Public in and for the
County of,
of the above named Company, who, being duly sworn according
to law, did depose and say that the foregoing report is just, true
and correct and that it includes all dividends of any description
declared by said Company during the year ending October 31,
1917, and that he has, according to his best knowledge and belief,
appraised the capital stock of the Company as provided by statute,
at not less than the average price at which it sold and not less
than the difference between its assets and liabilities, exclusive of
capital stock.

.....
.....

Sworn to before me the day and year aforesaid.

.....

Notary Public.

PENALTY NOTICE.

Every corporation, association, joint-stock company, person or
partnership failing to make the annual report required by this
article, or failing to make any special report required by the com-
mission, within any reasonable time to be specified by the com-
mission shall forfeit to the people of the state the sum of one
hundred dollars for every such failure, and the additional sum of
ten dollars for each day that such failure continues. (Tax Law,
section 197.)

(Endorsed):

Form 42.

CAPITAL STOCK REPORT

for Year Ending October 31, 1918, of

No.....

..... Co.,
.....
.....

Report due on or before December 15th.

Duplicate copy should be kept for your files.

All annexed statements must be sworn to thereon.

NOTES.

This report is not required from corporations which are subject to the New York State income tax (see page — for list of such corporations), nor from corporations exempt under Sec. 183 of the Tax Law (see page — for text of this section).

The “average valuations ” called for by Questions 23 to 37 may be made on either a monthly, quarterly or annual basis.

The estimate and appraisal of capital stock must be at a figure not less than the average price at which the stock sold during the preceding calendar year or not less than the difference between the corporate assets and liabilities, according to which method gives the higher valuation. If the latter method is used, the total assets and total liabilities must be taken into account, and not merely those in New York State.

INCOME TAX REPORT.

(Foreign and Domestic Corporations.)

STATE OF NEW YORK.

Taxation of Corporate Franchises under Article 9-a of the Tax Law for the Tax Year Beginning November 1, 1918.

THIS REPORT IS DUE JULY 1, 1918, or within thirty days after filing report with the United States Treasury Department.
File with

STATE TAX DEPARTMENT.

Albany, N. Y.

As.....of theCompany,
I make the following report of such company for the year ending*
....., 191...., pursuant to Article 9-A
of the Tax Law.

- (1) Organized....., 19...., under the
Laws of.....
- (2) Began business in New York.....19....
- (3) Issued capital stock, \$.....
(If organized with shares without par value, insert the
amount of paid-in capital.)
- (4) Amount of indebtedness at end of year, \$.....
- (5) Net income for the { Fiscal
 } Calendar } year ending†.....
....., 191...., as determined by the United
States treasury department, \$.....
Corporations organized under the laws of foreign countries
should return their entire net income, \$.....
- (6) If the amount reported above is not correct, state the
amount claimed to be correct, \$.....
- (7) Nature of business and how transacted.....
.....
.....
.....
- (8) Place, street and number where such business is conducted
.....
- (9) Where will mail reach the company?.....
.....
- (10) State the city or town, street number and state where this
company maintained any store, warehouse, factory or

other place of business outside the State of New York

- (11) Any corporation taxable hereunder may omit from this report the segregation of assets on this page **only** by signing the following consent:

I am authorized by the Board of Directors of this corporation to consent and I do hereby consent that said corporation be taxed upon its entire net income.

Do not sign consent unless taxable by the State of New York on entire income.

.....

 (Official title)

TOTAL SEGREGATED ASSETS WHEREVER LOCATED
 Average monthly value of bills and accounts receivable for—

- (a) Personal property manufactured by it.....\$.....
 (b) Personal property sold by the corporation
 from merchandise owned by it at the time
 of acceptance of order but not manufactured by it\$.....
 (c) Services performed, based on orders received
 at offices maintained by the corporation,
 excluding bills and accounts receivable on
 orders filled from a stock of merchandise
 or other property maintained by the corporation \$.....

‡Average monthly value of all real property wherever located (actual value).....\$.....

‡Average monthly value of all its tangible personal property wherever located (actual value).....\$.....

Total\$.....

§Average total actual value of shares of stock of other corporations owned by this corporation.....\$.....

ASSETS SEGREGATED TO NEW YORK STATE ONLY

Average monthly value of bills and accounts receivable for—

- (a) Personal property manufactured by it within
 this state\$.....

(b) Personal property sold by it from merchandise owned by it and located in this state at the time of acceptance of the order, but not manufactured by it within this state \$

(c) Services performed, based on orders received at offices maintained by the corporation within this state, excluding bills and accounts receivable arising from sales made from a stock of merchandise or other property at a place of business maintained by the corporation within this state \$

‡ Average monthly value of its real property within this state as detailed in this report (actual value) . \$

‡ Average monthly value of its tangible personal property in New York State as detailed in this report (actual value) \$
Total \$

§ Average total actual value of shares of stock of other corporations owned by it and allocated to this state by rule below \$

* Insert the calendar year ending December 31, 1917, or the fiscal year as reported to the United States treasury department.

† The amount of the annual net income must be identical with that reported to the United States treasury department.

‡ Real property and tangible personal property shall be taken at its actual value where located.

§ The value of share of stock of another corporation owned by a corporation liable hereunder shall for purposes of allocation of assets be apportioned in and out of the State in accordance with the value of the physical property in and out of the State representing such share stock.

NOTE.—If the amount of the annual net income of any corporation taxable under this article as returned to the United States treasury department is changed or corrected by a commissioner of internal revenue or other officer of the United States, such corporation, within ten days after receipt of such notification of change or correction, shall make return under oath or affirmation to the Tax Commission of such changed or corrected net income upon which the tax is required to be paid to the United States.

INSTRUCTION.

If the company has no real or tangible personal property in this State it should give the name of the city, town, or incorporated village where its principal financial concerns are transacted within the State in panel 1 and the word "none" should be entered in panel 2.

If the company's entire real and tangible personal property in this State is in one city, or in one town outside a city or incorporated village, the schedules below need not be made, but the name of the city or town, and of the county where located must be entered in panel 3.

Name of city, town or incorporated village

1	2
---	---

City or Town.....	3
..... County.	

If the company has real or tangible personal property in an incorporated village (or villages) in this State the name of such village and the town and county where such village is located must be entered below, together with the value of such property.

Incorporated village of	In the town of	County of	Personal	Real
.....	\$.....	\$.....
.....	\$.....	\$.....
.....	\$.....	\$.....

(If more space is needed add a paster)

The values of real and tangible personal property in villages must be distributed to the proper TOWNS in the table below. Do not confuse the political subdivisions "incorporated village" and "town." Names of hamlets or postoffices other than incorporated villages are not wanted.

410 FORMS OF CORPORATE REPORTS—NEW YORK.

Schedule of Real and Tangible

Personal Property in New York State by Cities and Towns Personal, actual value Real estate, actual value Real estate, assessed value

City of.....County of.....

Street address.....\$..... \$..... \$.....

City of.....County of.....

Street address.....\$..... \$..... \$.....

City of.....County of.....

Street address.....\$..... \$..... \$.....

City of.....County of.....

Street address.....\$..... \$..... \$.....

Town of.....County of.....

Town of.....County of.....

Town of.....County of.....

Town of.....County of.....

(If more space is needed add a paster)

Affidavit of President, Vice-President, Secretary or Treasurer.

State of New York,

County of....., ss.:

On this.....day of....., A. D. 191...., personally appeared before me, a Notary Public in and for the County of....., of the above named company, who, being duly sworn according to law, did depose and say that the foregoing report is just, true and correct and that it includes a true statement of the annual net income of said company for the year.

.....

.....

(Official title)

Sworn to before me the day and year aforesaid.

.....

Notary Public.

(Endorsed):

FORM 3 IT.**Penalty Notice.**

Any corporation which fails to make any report required by this article shall be liable to a penalty of not more than five thousand dollars to be paid to the State to be collected in a civil action, at the instance of the Commission; and any officer of any such corporation who makes a fraudulent return or statement with intent to defeat or evade the payment of the taxes prescribed by this article shall be liable to a penalty of not more than one thousand dollars, to be recovered by the State. (Tax Law, § 216.)

STATE TAX COMMISSION,
Receiving stamp.

No.
..... Co.,
.....
.....

NOTES.

This report is required from all domestic and foreign business corporations except (1) banking, trust and insurance corporations of all kinds, (2) public service corporations, (3) holding companies and (4) corporations wholly engaged in the purchase, sale and holding of real estate for themselves.

The only income taxable is that derived from business done in the State of New York. Therefore the "Consent" referred to in Par. "(11)" should only be signed if the entire income of the corporation was derived from such business.

"Tangible personal property." This phrase means corporeal personal property such as machinery, tools, implements, office furniture and equipment, goods, wares and merchandise. It does not include money, deposits in bank, shares of stock, bonds, notes, mort-

gages, credits or evidences of an interest in property and evidences of debt.

“Average . . . value of shares of stock . . . allocated to this state by rule below.” The method of applying this rule can best be shown by an example, as follows:

The A. B. Co. owns 100 shares of the capital stock of the C. D. Co., which are worth \$100 per share or \$10,000 in all. The total value of the physical property of the C. D. Co. is \$100,000, of which \$25,000 or $\frac{1}{4}$ is permanently located in New York State and the remaining \$75,000 or $\frac{3}{4}$ is located elsewhere. The value of the A. B. Co.’s 100 shares of C. D. Co. stock allocated to New York State will be the same fraction of their total value as the value of the C. D. Co.’s physical property located in New York is of the value of its total physical property. In this case this will be $\frac{1}{4}$ of \$10,000 or \$2,500, which is the amount to be entered opposite “Average value of shares,” etc., “allocated to this state,” etc.

**ANNUAL STATEMENT TO BE FILED UNDER SECTIONS 259
AND 264 OF THE TAX LAW IN THE OFFICES OF THE
STATE TAX COMMISSION AND THE RECORDING OFFI-
CER WHERE MORTGAGE HAS BEEN FIRST RECORDED.**

(A separate statement for each mortgage must be filed)

State of New York,
County of....., ss.:

....., being duly sworn, deposes and
says that he is the.....of the.....

That on the.....day of....., 19.....,
there was recorded in the office of the recording officer of the

county of..... (being its first place of record)
in liber.....of mortgages at page....., a certain mort-
gage, the maximum amount to be secured thereby being \$.....;
bearing date the.....day of....., 1.....,
in which mortgage.....
.....
was the mortgagor and.....
the mortgagee. That the total amount of principal indebtedness
that has been advanced or has accrued on such mortgage, or has
become secured thereby, to and including June 30, 191...., is the
sum of.....dollars
(\$.....). That the total amount advanced prior to
July 1, 1906, is the sum of.....
dollars (\$.....).

That schedule "A" hereto annexed is a full and true statement
of all the advances made under said mortgage with the date of
each such advance for the year covered by this statement.

.....

Subscribed and sworn to before me this
.....day of....., 19....

.....
.....

SCHEDULE "A"

Date of Advancement	Amount Advanced
.....
.....
.....
.....

PENNSYLVANIA.

CAPITAL STOCK REPORT.

(Foreign and Domestic Corporations.)

1918 CAPITAL STOCK REPORT OF THE

..... Company
 Give full address.
 Street and Number.....
 City or Town..... State.....

Affidavit and Certificate of Valuation.

Appraisement is to be made as of December 31 of each year, as required by Act of June 2, 1915, by any two of the following named officers, namely: President, Vice-President, Secretary or Treasurer.

State of Pennsylvania,
 County of....., ss.:

On this.....day of....., A. D. 191....,
 before me the subscriber, a Notary Public in and for said County,
 appeared President,
 and, Secretary
 or Treasurer of the said Company, who being by me duly sworn
 or affirmed say that the statements made in the within report and
 petition for exemption are true and correct, and that with fidelity
 and according to the best of their knowledge and belief they have
 estimated, valued and appraised the capital stock of the said
 corporation at its actual value in cash as it existed at the close
 of the period for which report is made, not less, however, than,

First.—The average price which said stock sold for during the
 period; and,

Second.—Not less than the price or value indicated or measured
 by net earnings, or by the amount of profit made and either de-
 clared in dividends, expended in betterments, or carried into sur-
 plus or sinking fund; and,

Third.—Not less than the actual value indicated or measured by consideration of the intrinsic value of its tangible property and assets, and of the value of its good will and franchises and privileges as indicated by the material results of their exercise, taking also into consideration the amount of its indebtedness; as follows, viz.:

A.—Actual value in cash of:

Common Stock,shares at \$.per share, or \$.

Preferred Stock,shares at \$.per share, or \$.

Total valuation, \$.

B.—Actual value in cash of entire property assets and good will, without deduction of encumbrances.....\$.....

C.—Actual value in cash as shown at " B " deducting encumbrances as follows:

Bonds\$.

Notes\$.

Mortgages\$.

Other debt\$.

Total deduction, \$.

Actual value less encumbrances, \$.

And the above named..... further swears or affirms that he is Treasurer of this Company and that the corporate loans report on this sheet and any attached sheets signed by him as Treasurer and sealed with the Company's seal, truly show all evidences of indebtedness outstanding against said Company, the respective amounts and the possessors thereof.

(To be signed by two officers.)

.....
President.

.....
Secretary or Treasurer.

Sworn or affirmed and subscribed before
me the day and year aforesaid.

.....

Notary Public.

My commission expires.....

CAPITAL.

KIND—Common—

Par per share, \$.....

*No. shares outstanding.....

Selling price during year—

Highest, \$.....

Lowest, \$.....

Average, \$.....

Amount paid in on said stock—

In cash, \$.....

In property, \$.....

Preferred—

Par per share, \$.....

*No. shares outstanding.....

Selling price during year—

Highest, \$.....

Lowest, \$.....

Average, \$.....

Amount paid in on said stock—

In cash, \$.....

In property, \$.....

Debenture—

Par per share, \$.....

*No. shares outstanding.....

Selling price during year—

Highest, \$.....

Lowest, \$.....

Average, \$.....

Amount paid in on said stock—

In cash, \$.....

In property, \$.....

Installment receipts—

Par per share, \$.....

*No. shares outstanding.....
 Selling price during year—
 Highest, \$.....
 Lowest, \$.....
 Average, \$.....
 Amount paid in on said stock—
 In cash, \$.....
 In property, \$.....

* This means shares issued and not held by the company in treasury, or by trustee for company.

CHARACTER AND LOCATION OF TANGIBLE PROPERTY.

Real estate—

Used in manufacturing—

 In Pennsylvania

 Outside Pennsylvania

Non-manufacturing—

 In Pennsylvania

 Outside Pennsylvania

 Total

Buildings—

Used in manufacturing—

 In Pennsylvania

 Outside Pennsylvania

Non-manufacturing—

 In Pennsylvania

 Outside Pennsylvania

 Total

Stock and merchandise—

Used in manufacturing—

 In Pennsylvania

 Outside Pennsylvania

Non-manufacturing—

 In Pennsylvania

 Outside Pennsylvania

 Total

Equipment and machinery—

Used in manufacturing—

 In Pennsylvania

 Outside Pennsylvania

Non-manufacturing—

In Pennsylvania

Outside Pennsylvania

Total

Taxable Value C. S.

Do not write on this space.

Taxable Value Loans

Do not write on this space.

Page 2.

CAPITAL STOCK REPORT.**Income Account.****EXPENDITURES AND DEDUCTIONS.**

Cost of goods and materials.....	\$.....
Maintenance of real estate plant and equipment..	.....
Salaries to stockholding employees.....	.....
Other salaries .....	.....
Operating expenses .....	.....
Rentals . . . . .	.....
Taxes—State and local .....	.....
Taxes—Federal . . . . .	.....
Interest . . . . .	.....
Discounts . . . . .	.....
Depletion . . . . .	.....
Depreciation . . . . .	.....
Funded debt retired through income.....	.....
Total . . . . .	.....
Inventory at beginning of year.....	.....
Net income .....	.....
Total . . . . .	.....

DISPOSITION OF NET INCOME.

Appropriated to sinking and reserve funds.....	.....
Dividends from income .....	.....
Additions and betterments .....	.....
Surplus, or deficit .....	.....
	<hr/>
Total net income .....	.....
	<hr/>

GROSS EARNINGS.

Revenue from operations .....	.....
Auxiliary operations revenue .....	.....
Rentals . . . . .	.....
Dividends on stocks owned.....	.....
Income from funded securities owned.....	.....
Income from unfunded securities and accounts....	.....
Income from sinking and reserve funds.....	.....
Miscellaneous . . . . .	.....
	<hr/>
Total . . . . .	.....
	<hr/>
Inventory at end of year.....	.....
Net deficit .....	.....
	<hr/>
Total . . . . .	.....
	<hr/>

PROFIT AND LOSS STATEMENT.

Surplus or deficit from prior years.....	.....
Surplus or deficit from this year.....	.....
	<hr/>
Total surplus or deficit .....	.....
Dividends from surplus .....	.....
Additions and betterments from surplus.....	.....
	<hr/>
Total . . . . .	.....
Debit or credit to general balance sheet.....	.....

General Balance Sheet.**ASSETS.**

	Book Value	Actual Value
Real estate and building.....	\$.....	\$.....
Equipment and fixtures
Merchandise
Stocks of Penna. corporations.....
Stocks of foreign corporations.....
Treasury stocks
Bonds of other companies.....
Treasury bonds
Advances to other companies.....
Advances to individuals
Cash and current assets.....
Bills and accounts receivable.....
Unadjusted assets
Sinking and reserve funds.....
Deficit
	<hr/>	<hr/>
Total

LIABILITIES.

Capital stock	\$.....
Installment receipts on stock.....	.....
Debt (including mortgage, bonded and secured)...	.....
Bills and accounts payable .....	.....
Accrued liabilities not due.....	.....
Deferred credit items .....	.....
Additions to property .....	.....
Reserves and sinking fund from income or surplus.	.....
Advances from other companies.....	.....
Other current liabilities .....	.....
Surplus . . . . .	.....
	<hr/>
Total . . . . .	.....
	<hr/>

Amount invested during year in plant and equipment exclusive
of amount charged to income account, \$.....
Date of charter.....State of
For what purpose was the company organized, as set forth in its
charter or articles of association?.....
.....
.....
In what business is the company now actually engaged, and where?
.....
.....
Does it enjoy and exercise the right of eminent domain?.....
Does it brew or distil malt liquors or spirits?.....
Number of stockholding employees.....

**Manufacturing companies must fill out petition for exemption
on page 3.**

REPORT OF LOANS

**For the year ending December 31, 1918,
viz.:**

**Scrip, Bonds, Mortgages, Notes or Other Evidences of Indebted-
ness Outstanding against this Company during the Tax Year
1918, or DURING ANY PART OF SAID YEAR.**

Nominal or par value of all indebtedness outstanding
January 1, 1918\$.....
Nominal or par value of all such debt outstanding
December 31, 1918\$.....

LIST OF EVIDENCES OF INDEBTEDNESS OUTSTANDING AGAINST THIS COMPANY ON JANUARY 1, 1918.

Description of Debt.	Total Amount.
Bonds	\$.....
Mortgages, given by company.....
Mortgages assumed
Car trust securities
Judgments: Scrip

Advances from other companies or individuals....	.....
(Explain fully on attached sheet.)	
Notes . . . . .	.....
Notes discounted or negotiated by banks. ....	.....
(Give names of banks in Schedule B.)	
All other certificates or evidences of indebtedness..	.....
	<hr/>
Total . . . . .	.....
	<hr/>

Are any of the above obligations issued free and clear of state tax? If so, which.....

SCHEDULE OF ITEMS OF INDEBTEDNESS.

Individual Residents of Pennsylvania—

Name of holder of loan.....

Location

Description of debt or loan.....

Date of issue

Amount of debt owned January 1, 1918.....

State whether debt was held in own right or as trustee or attorney

If debt was paid in full or partially paid give date and amount of payments

Was interest paid on debt. Answer Yes or No and for how long

Banks and Trust Companies—

Name of holder of loan.....

Location

Description of debt or loan.....

Date of issue

Amount of debt owned January 1, 1918.....

State whether debt was held in own right or as trustee or attorney

If debt was paid in full or partially paid give date and amount of payments

Was interest paid on debt. Answer Yes or No and for how long

Domestic Corporations—

Name of holder of loan.....
 Location.....
 Description of debt or loan.....
 Date of issue.....
 Amount of debt owned January 1, 1918.....
 State whether debt was held in own right or as trustee or
 attorney.....
 If debt was paid in full or partially paid give date and amount
 of payments.....
 Was interest paid on debt. Answer Yes or No and for how
 long.....

Foreign Corporations and Non-resident Individuals—

Name of holder of loan.....
 Location.....
 Description of debt or loan.....
 Date of issue.....
 Amount of debt owned January 1, 1918.....
 State whether debt was held in own right or as trustee or
 attorney.....
 If debt was paid in full or partially paid give date and amount
 of payments.....
 Was interest paid on debt. Answer Yes or No and for how
 long.....

Persons whose Residences are Unknown—

Name of holder of loan.....
 Location.....
 Description of debt or loan.....
 Date of issue.....
 Amount of debt owned January 1, 1918.....
 State whether debt was held in own right or as trustee or
 attorney.....
 If debt was paid in full or partially paid give date and amount
 of payments.....
 Was interest paid on debt. Answer Yes or No and for how
 long.....

Capital Stock Report

PETITION FOR EXEMPTION.

To the Honorable Auditor General:

The petition of the said company, by its President or Treasurer, respectfully represents: That said company claims exemption from taxation upon the value of so much of its capital stock as is invested and actually and exclusively employed, in carrying on manufacturing within the state as hereinafter set forth, agreeably to the provisions of the Act of June 8, 1893, entitled "An act being a further supplement to an act, entitled 'An act to provide revenue by taxation,' approved the seventh day of June, A. D. 1879, amending the amendment to the supplement thereto which became a law on the first day of June, A. D. 1889, which amendment herein amended was approved the eighth day of June, A. D. 1891, relating to the tax on capital stock," and supplements, and set forth the following answers and statements of the facts in reference to the company for the information of the Auditor General, viz.:

STATEMENT IN DETAIL

Of the amount of capital, if any, which is invested in the following:

- 1.—In raw materials: mines, quarries, ore, clay and timber lands:

Coal,—unmined acres,.....; ore,—tons,.....;
stone,—cubic feet,.....; clay,—cubic yards,
.....; timber,—board feet.....

Assessed value for local taxation, \$......

Actual value\$.....

- 2.—In leaseholds of raw materials properties:

Coal,—unmined acres,.....; ore,—tons,.....;
clay,—cubic yards,.....; stone,—cubic feet,
.....; timber,—board feet,.....

Value of properties leased, \$...... Value

of leaseholds\$.....

- 3.—In railways, trainways, motive power, rolling stock, animals, vehicles and all machinery and equipment used in production and delivery of raw materials\$.....
 - 4.—In real estate, buildings, machinery and equipment, raw materials (not exceeding one year's supply), finished products, etc., actually used exclusively in manufacturing in Pennsylvania.\$.....
 - 5.—Cash, bills and accounts receivable, accrued and unadjusted assets strictly incident to the manufacturing business or used as necessary working capital therein (state in detail under "Remarks") \$.....
 - 6.—Cash, bills and accounts receivable accrued and unadjusted assets NOT incident to the manufacturing business nor used as necessary working capital therein—State in detail.....\$.....
 - 7.—Real estate other than the space actually occupied and used by the buildings and works:
No. of acres,.....; square feet,.....; assessed value for local taxation, \$.....; actual value,.....\$.....
 - 8.—Dwelling houses owned by the company, whether leased or occupied by employees or others; assessed value for local taxation, \$.....; actual value,\$.....
 - 9.—Intangible personal property not used in manufacturing, bonds, stocks, mortgages and other securities (state in detail under "Remarks").\$.....
 - 10.—In goods and wares manufactured by others and sold by the company.....\$.....
- Total capital invested.....\$.....

The amount of this total should be the same as the total assets shown in the general balance sheet, page 2.

List of stocks of other companies held; number of shares of each
and value of each share,

.....

.....

.....

.....

Mailing Directions.

Mail settlement on account of this report to

Name

Street and Number.....

City or Town..... State.....

(Endorsed):

**To Tax on Capital Stock for the Twelve Months Ending
December 31, 1918.**

Value of capital stock as appraised by officials of
company \$.....

Value of capital stock as appraised by Auditor Gen-
eral \$.....

Taxable value of capital stock in Penn-
sylvania \$.....

Tax at rate of five mills. \$.....

Penalty for failure to file report within time limit
provided by law \$.....

Amount of capital stock tax due common-
wealth \$.....

Harrisburg, Penna.,.....

Settled and Entered:

For CHAS. A. SNYDER,
Auditor General.

Harrisburg, Penna.,.....

Approved:

For H. M. KEPHART,
State Treasurer.

**To Tax on Corporate Loans for the Twelve Months Ending
December 31, 1918.**

Par value of taxable evidences of indebtedness outstanding during
the year or any part of said year.

\$.....
Tax at rate of four mills.....\$.
Deduct treasurer's commission\$.

Penalty for failure to file report within time
limit provided by law.....\$.

Amount of corporate loan tax due common-
wealth\$.
.....

Harrisburg, Penna.,.....

Settled and Entered:

For CHAS. A. SNYDER,
Auditor General.
Harrisburg, Penna.,.....

Approved:

For H. M. KEPHART,
State Treasurer.

(Endorsed):

A.—Form 2½.

DO NOT WRITE ON THIS PAGE.

1918.

Box.....

CAPITAL STOCK AND CORPORATE LOANS REPORT.

.....
(Full Name of Company.)
.....
.....

Manufacturing Company.

Received,
 Carded,
 Calculated,
 Settled,
 Entered,
 Copy Mailed,

OFFICIAL BLANK.

CHAS. A. SNYDER,
 Auditor General.

NOTES.

The period covered by this report is the preceding calendar year. (See page 280 for classes of corporations from which the report is required.)

Appraisement of capital stock.

The appraisement of capital stock must be on the basis of its value on December 31st preceding the date when the report is made. The average price at which the stock sold during the year may properly be determined by multiplying the number of shares sold at each sale by the price paid per share, adding together the amounts paid at all the sales and dividing this sum by the total number of shares sold during the year (Commonwealth vs. People's Traction Co., 183 Pa. 405).

The price at which the shares may have sold is not, however, conclusive as to the actual value of the capital stock. The appraised value of the stock must be arrived at by applying whichever of the following three methods gives the highest valuation:

First: The average sale price during the year;

Second: The value measured by the corporation's net earnings for the year;

Third: The value measured by the tangible assets, franchises, good-will and privileges possessed by the corporation, taking into consideration the amount of its indebtedness.

Even though the capital stock has no actual value reports must be made annually until the corporation is dissolved.

Proportion of capital stock not taxable.

The following is not taxable:

Capital stock representing real estate or tangible personal property permanently located outside Pennsylvania (Com. vs. Standard Oil Co., 101 Pa. 119; Same vs. D. L. & W. R. R. Co., 206 Pa. 645).

Capital stock invested in U. S. patent rights, if invested in the right itself and not in machinery to manufacture under the patent or in articles so manufactured or permits so to manufacture (Com. vs. Central D. & P. Tel. Co., 145 Pa. 121; Same vs. Philadelphia Co., 157 Pa. 527).

Capital stock invested in United States bonds (Com. vs. Lack. I. & C. Co., 129 Pa. 346).

Capital stock invested and actually and exclusively employed in manufacturing within the state of Pennsylvania. This exemption applies to whatever proportion of the capital stock is so invested or employed. The following industries have been held to constitute manufacturing, within the scope of this exemption:

Refining crude petroleum (2 Pa. C. C. 62);

Dyeing and finishing woollen and cotton goods (5 Pa. C. C. 94);

Artificial gas companies (5 Dau. Co. Rep. 121);

Publishing corporations of all kinds, including publishers of newspapers (7 Dau. Co. Rep. 195);

Corporations which prepare leaf tobacco for chewing and smoking (Com. vs. Cark & Snover Co., Dau. Co. Rep., June T. 1893).

Other industries which have been deemed to constitute manufacturing are quarrying slate, making brick, tanning hides, converting coal into coke, grinding spices, preserving fruit, converting iron ore into pig metal and iron into steel, and the packing and provision business (for citations, see Vol. 1, Eastman on Pennsylvania Corporations, page 738, from which the foregoing list is taken).

General Suggestions.

Under "Mailing Directions" (on page 3 of the form) should be inserted the name of the treasurer of the corporation and its business address. The tax must be paid within 60 days after receipt of the "settlement" or statement of tax due.

Mr. Eastman (*supra*, page 733) makes the following suggestions: "Where corporations are dissatisfied with the settlements made against them, or do not understand the basis on which they are made, they should at once inquire of the Auditor General the manner in which the amount of tax is arrived at, so that if there is any error in their reports, or if any part thereof has been misunderstood, they may file an affidavit making the necessary correction or explanation, with a request for a resettlement of the account. This often saves the expense of taking an appeal, and avoids the annoyance caused by permitting settlements to stand undisputed until they are of more than a year's standing, when only the Board of Public Accounts can resettle them."

NOTE ON CORPORATE LOANS REPORT.

Both domestic and foreign corporations must make this report, regardless of whether they have any loans outstanding or not. (See page 281 for classes of corporate loans which are not taxable.)

BONUS REPORT.

(Foreign Corporations.)

1918.

Office of Company

(Full Address)

(Date).....19...

To the Auditor General of Pennsylvania:

Sir: In compliance with requirements of the Act of May 8, 1901, entitled "An act providing for the raising of revenue for State purposes by imposing upon certain Foreign Corporations, Limited Partnerships and Joint-Stock Associations, a Bonus of one-third of one per centum upon the capital actually employed in Pennsylvania, and requiring the filing of certain reports in the office of the Auditor General," the said Company, by its officer signatory hereto, makes the following report for the year ending December 31, 1918, for the information of the Auditor General:

- 1.—Corporate title of Company or Association.....
- 2.—State or country in which incorporated or organized.....
- 3.—Date of incorporation or organization.....
- 4.—Date when Company began business in Pennsylvania.....
- 5.—Location of its chief office in Pennsylvania (Give city or town, and street address).....

6.—Names and addresses of President and Treasurer,

Name	Address
.....	President,
.....	Treasurer,

7.—Amount of bonded indebtedness, \$.....

8.—Amounts of capital authorized and paid in:

Authorized: Common, \$.....; Preferred, \$.....;
 Total, \$.....
 Paid In : Common, \$.....; Preferred, \$.....;
 Total, \$.....

9.—Amount of capital wholly employed in Pennsylvania, \$.....

10.—Places at which business was transacted during past year in
 Pennsylvania (State cities or towns, and street addresses),

.....

11.—Actual or approximate value of the average amount of stock
 in trade carried by Company in Pennsylvania during year
 ending December 31, 191...., \$.....12.—If capital is employed in, by or through the ownership or
 interest in real estate or other tangible property perma-
 nently located in Pennsylvania, give name, location, as-
 sessed value for local taxation, character and actual value
 of each property:

.....

REMARKS.

.....

State of.....

County of....., ss.:

On this.....day of.....A. D., 191...,
 before me, the subscriber, a Notary Public in and for the county
 aforesaid, personally appeared,.....,
 President, andTreasurer (or

Secretary), of
 Company, who being duly.....according to law, say
 that the facts set forth in the foregoing report are true.

.....President.

.....Treasurer (or Secretary).

.....and subscribed before me the day and
 year last aforesaid.

....., Notary Public.

My commission expires.....

MAILING DIRECTIONS.

Mail settlement on account of this report to

(Name)

(Street and Number).....

(City or Town).....

Page 2.

To BONUS on CAPITAL imposed by an Act of the General
 Assembly of Pennsylvania, approved May 8th, 1901, upon the
 amount of capital actually employed in the State by Foreign Cor-
 porations, Limited Partnerships and Joint Stock Associations:

Capital employed wholly in Pennsylvania.....\$.....

Capital shown in last statement.....\$.....

Increase of capital since last settlement.....\$.....

Bonus, one-third of one per cent.....\$.....

Penalty for failure to file report within time limit
 prescribed by law.

Amount due the Commonwealth.....\$.....

Auditor General's Department,

Harrisburg, Pa.,.....191,...

Settled and Entered:

For CHAS. A. SNYDER,
 Auditor General.

Treasury Department,

Note.—Under the law this account bears interest at the rate of 12 per centum per annum from SIXTY DAYS after date of approval by State Treasurer.

Harrisburg, Pa., 191....

Approved:

For H. M. KEPHART,
State Treasurer.

(Endorsed):

1918.

Box.

.....
.....
..... Company,

BONUS REPORT.

Received,
Carded,
Calculated,
Settled,
Entered,
Copy mailed,

OFFICIAL BLANK.

CHAS. A. SNYDER,
Auditor General.

NOTES ON PENNSYLVANIA BONUS REPORT.

This report is only required from domestic corporations when they are first organized or if their capital stock is subsequently increased. Foreign corporations, however, must make out and file the report annually for the information of the Auditor General.

The answer to Question 9 should state the greatest amount employed at any time during the year, not the average for the year.

Under " Mailing Directions " should be inserted the name of the treasurer of the corporation and its business address.

PART V.

DIRECTORY OF STATE AND FEDERAL OFFICIALS.

STATE OFFICIALS IN CHARGE OF CORPORATION AFFAIRS.

Delaware.—The Secretary of State, Dover, Delaware, has charge of all matters relating to corporations except those peculiar to banking and insurance companies, concerning which the Commissioner of Banking and Insurance, Dover, Delaware, should be addressed.

Maine.—The Secretary of State, Augusta, Maine, supervises all matters except tax questions relating to general business corporations. The State Board of Assessors has charge of tax matters, the Bank Commissioner of matters relating to banks and the Insurance Commissioner of those peculiar to insurance companies. The address of all of these officials is Augusta, Maine.

Massachusetts.—The offices of Tax Commissioner and Commissioner of Corporations are held by the same person, and he therefore has charge of all matters relating to general business corporations, including tax matters. The Bank Commissioner supervises banking corporations, and the Insurance Commissioner has charge of matters peculiar to insurance companies. All of these officials should be addressed at Boston, Mass.

New Jersey.—The Secretary of State, Trenton, New Jersey, is the official to address on all matters relating to general business corporations except tax matters, over which the State Board of Taxes and Assessment, Trenton, New Jersey, has supervision. The Commissioner of Banking and Insurance, Trenton, New Jersey, has jurisdiction of matters relating to financial and insurance companies.

New York.—On all tax matters the State Tax Department, Corporation Tax Bureau, Albany, New York, should be communicated with; on routine corporation affairs, the Secretary of State; on questions relating to moneyed corporations, the Superintendent of Banks; and on those relating to insurance companies, the Superintendent of Insurance. The address of all of these officials is Albany, New York.

Pennsylvania.—The Auditor General exercises supervision over corporation affairs in general, including tax matters, and almost all corporate reports are made to him. For matters peculiar to banks and insurance companies, it is sometimes necessary to consult the Commissioners of Banking and Insurance respectively. All of these officials are located in Harrisburg, Pa.

Federal.—Either the Commissioner of Internal Revenue, Washington, D. C., or the Collector of Internal Revenue of the District in which the corporation's principal office is located, should be addressed for information relating to corporation tax matters. All corporate returns, unless otherwise stated, should be sent to the Collector and not to the Commissioner.

FEDERAL COLLECTION DISTRICTS.

Each district is in charge of a Collector of Internal Revenue, whose office is located in the city whose name appears after the name of the District. Correspondence should be addressed to "Collector of Internal Revenue for the District of (name of District), (name of city where office is located)." It is not necessary to give any street address, nor to address the Collector by name. Districts are named after, and coincide with, states unless otherwise indicated.

Alabama—Birmingham, Ala.

Alaska (part of the District of Washington)—Tacoma, Wash.

Arizona (part of the District of New Mexico)—Phoenix, Ariz.

Arkansas—Little Rock, Ark.

California (made up of two Districts, the First and Sixth)—

First District comprises the counties of Alameda, Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, Eldorado, Fresno, Glenn, Humboldt, Inyo, Kings, Lake, Lassen, Madera, Marin, Mariposa, Mendocino, Merced, Modoc, Mono, Monterey, Napa, Nevada, Placer, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus, Sutter, Tehama, Trinity, Tulare, Tuolumne, Yolo, Yuba, and the State of Nevada.

Collector's office is at San Francisco.

Sixth District comprises the counties of Imperial, Kern, Los Angeles, Orange, Riverside, San Bernardino, San Diego, San Luis Obispo, Santa Barbara and Ventura.

Collector's office is at Los Angeles.

Colorado—Denver, Col.

Connecticut—Hartford, Conn.

Delaware (part of the District of Maryland)—Baltimore, Md.

District of Columbia (part of the District of Maryland—see above).

Florida—Jacksonville, Fla.

Georgia—Atlanta, Ga.

Hawaii—Honolulu, H. I.

Idaho (part of the District of Montana)—Helena, Mont.

Illinois (consists of four districts, the First, Fifth, Eighth and Thirteenth)—

First District comprises the counties of Boone, Carroll, Cook, De Kalb, Dupage, Grundy, Jo Daviess, Kane, Kankakee, Kendall, Lake, LaSalle, Lee, McHenry, Ogle, Stephenson, Whiteside, Will and Winnebago.

Collector's office is at Chicago.

Fifth District comprises the counties of Bureau, Henderson, Henry, Knox, Marshall, Mercer, Peoria, Putnam, Rock Island, Stark and Warren.

Collector's office is at Peoria, Ill.

Eighth District comprises the counties of Adams, Bond, Brown, Calhoun, Cass, Champaign, Christian, Coles, Cumberland, Dewitt, Douglas, Edgar, Ford, Fulton, Greene, Hancock, Iroquois, Jersey, Livingston, Logan, McDonough, McLean, Macon, Macoupin, Mason, Menard, Montgomery, Morgan, Moultrie, Platt, Pike, Sangamon, Schuyler, Scott, Shelby, Tazewell, Vermilion and Woodford.

Collector's office is at Springfield, Ill.

Thirteenth District comprises the counties of Alexander, Clark, Clay, Clinton, Crawford, Edwards, Effingham, Fayette, Franklin, Gallatin, Hamilton, Hardin, Jackson, Jasper, Jefferson, Johnson, Lawrence, Madison, Marion, Massac, Monroe, Perry, Pope, Pulaski, Randolph, Richland, St. Clair, Saline, Union, Wabash, Washington, Wayne, White and Williamson.

Collector's office is at East St. Louis, Ill.

Indiana (consists of two Districts, the Sixth and Seventh)—

Sixth District comprises the counties of Adams, Allen, Bartholomew, Benton, Blackford, Brown, Cass, Dearborn, Decatur, DeKalb, Delaware, Elkhart, Fayette, Franklin, Fulton, Grant, Hamilton, Hancock, Hendricks, Henry, Howard, Huntington, Jackson, Jasper, Jay, Jefferson, Jennings, Johnson, Kosciusko, Lagrange, Lake, Laporte, Lawrence, Madison, Marion, Mar-

shall, Miami, Monroe, Morgan, Newton, Noble, Ohio, Porter, Pulaski, Randolph, Ripley, Rush, St. Joseph, Shelby, Starke, Steuben, Switzerland, Tipton, Union, Wabash, Wayne, Wells, White, and Whitley.

Collector's office is at Indianapolis, Ind.

Seventh District comprises the counties of Boone, Carroll, Clark, Clay, Clinton, Crawford, Daviess, Dubois, Floyd, Fountain, Gibson, Greene, Harrison, Knox, Martin, Montgomery, Orange, Owen, Parke, Perry, Pike, Posey, Putnam, Scott, Spencer, Sullivan, Tippecanoe, Vanderburg, Vermilion, Vigo, Warren, Warrick, and Washington.

Collector's office is at Terre Haute, Ind.

Iowa—Dubuque, Ia. (Although Iowa consists of only one District, its official title is "Third District of Iowa.")

Kansas—Wichita, Kans.

Kentucky (consists of five Districts, the Second, Fifth, Sixth, Seventh and Eighth)—

Second District comprises the counties of Allen, Ballard, Barren, Breckenridge, Butler, Caldwell, Calloway, Carlisle, Christian, Clinton, Crittenden, Cumberland, Daviess, Edmonson, Fulton, Graves, Grayson, Hancock, Hart, Henderson, Hickman, Hopkins, Livingston, Logan, Lyon, McCracken, McLean, Marshall, Metcalfe, Monroe, Muhlenberg, Ohio, Russell, Simpson, Todd, Trigg, Union, Warren, and Webster.

Collector's office is at Owensboro, Ky.

Fifth District comprises the city of Louisville and the counties of Adair, Bullitt, Casey, Green, Hardin, Henry, Jefferson, Larue, Marion, Meade, Nelson, Oldham, Owen, Shelby, Spencer, Taylor, and Washington.

Collector's office is at Louisville, Ky.

Sixth District comprises the counties of Boone, Bracken, Campbell, Carroll, Gallatin, Grant, Harrison, Kenton, Pendleton, Robertson, and Trimble.

Collector's office is at Covington, Ky.

Seventh District comprises the counties of Bath, Bourbon, Boyd, Carter, Clark, Elliott, Fayette, Fleming, Franklin, Greenup, Johnson, Lawrence, Lewis, Martin, Mason, Menifee, Montgomery, Morgan, Nicholas, Powell, Rowan, Scott, and Woodford.

Collector's office is at Lexington, Ky.

Eighth District comprises the counties of Anderson, Bell, Boyle, Breathitt, Clay, Estill, Floyd, Garrard, Harlan, Jackson, Jessamine, Knott, Knox, Laurel, Lee, Leslie, Letcher, Lincoln, Madison, Magoffin, Mercer, McCreary, Owsley, Perry, Pike, Pulaski, Rockcastle, Wayne, Whitley, and Wolfe.

Collector's office is at Danville, Ky.

Louisiana—New Orleans, La.

Maine (part of the District of New Hampshire)—Portsmouth, N. H.

Maryland—Baltimore, Md.

Massachusetts—Boston, Mass. (Although Massachusetts consists of only one District, its official Title is "Third District of Massachusetts.")

Michigan (consists of two Districts, the First and Fourth)—

First District comprises the counties of Alcona, Alpena, Arenac, Bay, Branch, Calhoun, Cheboygan, Clare, Clinton, Crawford, Genessee, Gladwin, Gratiot, Hillsdale, Huron, Ingham, Iosco, Isabella, Jackson, Lapeer, Lenawee, Livingston, Macomb, Midland, Monroe, Montmorency, Oakland, Ogemaw, Oscoda, Otsego, Presque Isle, Roscommon, Saginaw, Sanilac, Shiawassee, St. Clair, Tuscola, Washtenaw, and Wayne.

Collector's office is at Detroit, Mich.

Fourth District comprises the counties of Alger, Allegan, Antrim, Baraga, Barry, Benzie, Berrien, Cass, Charlevoix, Chippewa, Delta, Dickinson, Eaton, Emmet, Gogebic, Grand, Traverse, Houghton, Ionia, Iron, Kalamazoo, Kalkaska, Kent, Keweenaw, Lake, Leelanau, Luce, Mackinac, Manistee, Marquette, Mason, Mecosta, Menominee, Missaukee, Montcalm, Muskegon, Newaygo, Oceana, Ontonagon, Osceola, Ottawa, St. Joseph, Schoolcraft, Van Buren, and Wexford.

Collector's office is at Grand Rapids, Mich.

Minnesota—St. Paul, Minn.

Mississippi (part of the District of Alabama)—Birmingham, Ala.

Missouri (consists of two Districts, the First and Sixth)—

First District comprises the counties of Adair, Audraïd, Bollinger, Boone, Butler, Callaway, Cape, Girardeau, Carter, Clark, Crawford, Dent, Dunklin, Franklin, Gasconade, Howard, Iron, Jefferson, Knox, Lewis, Lincoln, Linn, Macon, Madison, Maries, Marion, Mississippi, Montgomery, Monroe, New Madrid, Oregon, Osage, Pemiscot, Perry, Phelps, Pike, Pulaskee, Ralls, Randolph, Reynolds, Ripley, St. Charles, St. Francois, Ste. Genevieve, St. Louis, Schuyler, Scotland, Scott, Shannon, Shelby, Stoddard, Warren, Washington, and Wayne.

Collector's office is at St. Louis, Mo.

Sixth District comprises the counties of Andrew, Atchison, Barry, Barton, Bates, Benton, Buchanan, Caldwell, Camden, Carroll, Cass, Cedar, Charlton, Christian, Clay, Clinton, Cole, Cooper, Dade, Dallas, Daviess, DeKalb, Douglas, Gentry, Greene, Grundy, Harrison, Henry, Hickory, Holt, Howell, Jackson, Jasper, Johnson, Laclede, Lafayette, Lawrence, Livingston, McDonald, Mercer, Miller, Moniteau, Morgan, Newton, Nodaway, Ozark, Pettis, Platte, Polk, Putnam, Ray, St. Clair, Saline, Stone, Sullivan, Taney, Texas, Vernon, Webster, Worth, and Wright.

Collector's office is at Kansas City, Mo.

Montana—Helena, Mont.

Nebraska—Omaha, Neb.

Nevada (part of the First District of California)—San Francisco, Cal.

New Hampshire—Portsmouth, N. H.

New Jersey (consists of two Districts, the First and Fifth)—

First District comprises the counties of Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Mercer, Monmouth, Ocean, and Salem.

Collector's office is at Camden, N. J.

Fifth District comprises the counties of Bergen, Essex, Hudson, Hunterdon, Middlesex, Morris, Passaic, Somerset, Sussex, Union, and Warren.

Collector's office is at Newark, N. J.

New Mexico—Phoenix, Ariz.

New York (consists of six Districts, the First, Second, Third, Fourteenth, Twenty-First and Twenty-Eighth)—

First District comprises the counties of Kings, Nassau, Queens, Richmond, and Suffolk.

Collector's office, at Post Office, Brooklyn.

Second District comprises part of the Borough of Manhattan (see below) and Governors' Island.

Third District comprises part of the Borough of Manhattan (see below) also Blackwell's, Randall's and Ward's Islands.

Fourteenth District comprises the counties of Albany, Clinton, Columbia, Dutchess, Essex, Fulton, Greene, Hamilton, Montgomery, Orange, Putnam, Rensselaer, Rockland, Saratoga, Schenectady, Schoharie, Sullivan, Ulster, Warren, Washington and Westchester, and all of the Borough of the Bronx which lies north and east of the Harlem Ship Canal and the Harlem River.

Collector's office is at Albany.

Twenty-First District comprises the counties of Broome, Cayuga, Chenango, Cortland, Delaware, Franklin, Herkimer, Jefferson, Lewis, Madison, Oneida, Onondaga, Oswego, Otsego, St. Lawrence, Schuyler, Seneca, Tioga, Tompkins, and Wayne.

Collector's office is at Syracuse.

Twenty-Eighth District comprises the counties of Alleghany, Cattaraugus, Chautauqua, Chemung, Erie, Genesee, Livingston, Monroe, Niagara, Ontario, Orleans, Steuben, Wyoming, and Yates.

Collector's office is at Buffalo.

Collection Districts in Borough of Manhattan.

The Second District (Office—Custom House) consists of that portion of Manhattan Borough which is bounded by the East River from the center of Catharine Slip (Pier 26, E. R., four blocks north of Brooklyn Bridge) to the Battery; by the North River from the Battery to the center of West 24th Street (Pier 64, N. R.); and by a line, beginning at the North (Hudson) River, running east along the center of West Twenty-fourth Street to the center of Sixth Avenue, down the center of Sixth Avenue to the center of Fourteenth Street, east along the center of Fourteenth Street to the center of Fourth Avenue, down the center of Fourth Avenue to Cooper

Square around the north and east sides of Cooper Square (i. e., all of Cooper Square is in the Second District) to the east side of the Bowery, down the east side of the Bowery to the center of East Houston Street (i. e., both sides of the Bowery north of East Houston Street are in the Second District), west along the center of East Houston Street to the center of Mott Street, down the center of Mott Street to the center of Canal Street, east along the center of Canal Street to the center of the Bowery, down the center of the Bowery to the center of Catharine Street (at Division Street), along the center of Catharine Street to Catharine Slip and across the center of Catharine Slip to the East River (Pier 26, E. R.).

Third District. The Third District (Office, 1150 Broadway, between 26th and 27th Streets) embraces all of the rest of Manhattan Island; that is, all of Manhattan Borough not included within the boundaries of the Second District outlined above.

(Taken from the Corporation Trust Company's War Tax Service.)

North Carolina (consists of two Districts, the Fourth and Fifth)—

Fourth District comprises the counties of Alamance, Beaufort, Bertie, Bladen, Brunswick, Camden, Carteret, Caswell, Chatham, Chowan, Columbus, Craven, Cumberland, Currituck, Dare, Duplin, Durham, Edgecombe, Franklin, Gates, Granville, Greene, Halifax, Harnett, Hertford, Hyde, Johnston, Jones, Lenoir, Martin, Montgomery, Moore, Nash, New Hanover, Northampton, Onslow, Orange, Pamlico, Pasquotank, Pender, Perquimans, Person, Pitt, Richmond, Robeson, Sampson, Scotland, Tyrrell, Vance, Wake, Warren, Washington, Wayne, and Wilson.

Collector's office is at Raleigh, N. C.

Fifth District comprises the counties of Alexander, Alleghany, Anson, Ashe, Buncombe, Burke, Cabarrus, Caldwell, Catawba, Cherokee, Clay, Cleveland, Davidson, Davie, Forsyth, Gaston, Graham, Guilford, Haywood, Henderson, Iredell, Jackson, Lincoln, McDowell, Macon, Madison, Mecklenburg,

Mitchell, Polk, Randolph, Rockingham, Rowan, Rutherford, Stanly, Stokes, Surry, Swain, Transylvania, Union, Watauga, Wilkes, Yadkin, and Yancey.

Collector's office is at Statesville, N. C.

North and South Dakota (this is the official title of this District. Collector's office is at Aberdeen, S. D.).

Ohio (consists of four Districts, the First, Tenth, Eleventh and Eighteenth)—

First District comprises the counties of Brown, Butler, Clarke, Clermont, Clinton, Fayette, Green, Hamilton, Highland, Miami, Montgomery, Preble, and Warren.

Collector's office is at Cincinnati, O.

Tenth District comprises the counties of Allen, Auglaize, Champaign, Crawford, Darke, Defiance, Erie, Fulton, Hancock, Hardin, Henry, Huron, Logan, Lucas, Mercer, Ottawa, Paulding, Putnam, Sandusky, Seneca, Shelby, Van Wert, Williams, Wood, and Wyandot.

Collector's office is at Toledo, O.

Eleventh District comprises the counties of Adams, Athens, Coshocton, Delaware, Fairfield, Franklin, Gallia, Ghernsey, Hoeking, Jackson, Knox, Lawrence, Licking, Madison, Marion, Meigs, Morgan, Morrow, Muskingum, Noble, Perry, Pickaway, Pike, Ross, Scioto, Union, Vinton, and Washington.

Collector's office is at Columbus, O.

Eighteenth District comprises the counties of Ashland, Ash-tabula, Belmont, Carroll, Columbiana, Cuyahoga, Geauga, Harrison, Holmes, Jefferson, Lake, Lorain, Mahoning, Medina, Monroe, Portage, Richland, Stark, Summit, Trumbull, Tuscarawas, and Wayne.

Collector's office is at Cleveland, O.

Oklahoma—Oklahoma City, Okla.

Oregon—Portland, Ore.

Pennsylvania (consists of four Districts, the First, Ninth, Twelfth and Twenty-Third)—

First District comprises the counties of Berks, Bucks, Chester, Delaware, Lehigh, Montgomery, Philadelphia, and Schuyl-kill.

Collector's office is at Philadelphia, Pa.

Ninth District comprises the counties of Adams, Bedford, Blair, Cumberland, Dauphin, Franklin, Fulton, Huntingdon, Juniata, Lancaster, Lebanon, Mifflin, Perry, Snyder, York.

Collector's office is at Lancaster, Pa.

Twelfth District comprises the counties of Bradford, Carbon, Center, Clinton, Columbia, Lackawanna, Luzerne, Lycoming, Monroe, Montour, Northampton, Northumberland, Pike, Potter, Sullivan, Susquehanna, Tioga, Union, Wayne, Wyoming. (Twelfth District re-established May 1, 1915.)

Collector's office is at Scranton, Pa.

Twenty-Third District comprises the counties of Alleghany, Armstrong, Beaver, Butler, Cambria, Cameron, Clarion, Clearfield, Crawford, Elk, Erie, Fayette, Forest, Greene, Indiana, Jefferson, Lawrence, McKean, Mercer, Somerset, Venango, Warren, Washington, and Westmoreland.

Collector's office is at Pittsburgh, Pa.

Philippine Islands—Manila, P. I.

Rhode Island (part of the District of Connecticut)—Hartford, Conn.

South Carolina—Columbia, S. C.

South Dakota (part of the District of North and South Dakota)—Aberdeen, S. D.

Tennessee—Nashville, Tenn.

Texas—Austin, Tex.

Utah (part of the District of Montana)—Helena, Mont.

Vermont (part of the District of New Hampshire)—Portsmouth, N. H.

Virginia (consists of two Districts, the Second and Sixth)—

Second District comprises the counties of Amelia, Appomattox, Brunswick, Buckingham, Carolina, Charles City, Chesterfield, Cumberland, Dinwiddie, Elizabeth City, Essex, Fluvanna, Gloucester, Goochland, Greenville, Hanover, Henrico, Isle of Wight, James City, King and Queen, King George, King William, Lancaster, Louisa, Lunenburg, Mathews, Middlesex, Nansemond, New Kent, Norfolk, Northumberland, Nottaway, Powhatan, Prince Edward, Prince George, Princess Anne, Rich-

mond, Stafford, Southampton, Spottsylvania, Surry, Sussex, Warwick, Westmoreland, and York.

Collector's office is at Richmond, Va.

Sixth District comprises the counties of Albemarle, Alexandria, Alleghany, Amherst, Augusta, Bath, Bedford, Bland, Botecourt, Buchanan, Campbell, Carroll, Charlotte, Clarke, Craig, Culpepper, Dickenson, Fairfax, Fauquier, Floyd, Franklin, Frederick, Giles, Grayson, Greene, Halifax, Henry, Highland, Lee, Lodoun, Madison, Mecklenburg, Montgomery, Nelson, Orange, Page, Patrick, Pittsylvania, Prince William, Pulaski, Rappahannock, Roanoke, Rockbridge, Rockingham, Russell, Scott, Shenandoah, Smyth, Tazewell, Warren, Washington, Wise, and Wythe.

Collector's office is at Richmond, Va.

Note—The counties of Accomac and Northampton are in the District of Maryland.

Washington—Tacoma, Wash.

West Virginia—Parkersburg, W. Va.

Wisconsin (consists of two Districts, the First and Second)—

First District comprises the counties of Brown, Calumet, Dodge, Door, Florence, Fond du Lac, Forest, Green Lake, Kenosha, Kewannee, Manitowoc, Marinette, Marquette, Milwaukee, Oconto, Outagamie, Ozaukee, Racine, Shawano, Sheboygan, Walworth, Washington, Waukesha, Waupaca, Waushara, Winnebago, and county of Langlade with exception of the eight townships of said county which were formerly in Lincoln county.

Collector's office is at Milwaukee, Wis.

Second District comprises the counties of Adams, Ashland, Barron, Bayfield, Buffalo, Burnett, Chippewa, Clark, Columbia, Crawford, Dane, Douglas, Dunn, Eau Claire, Grant, Green, Iowa, Iron, Jackson, Jefferson, Juneau, La Crosse, Lafayette, Lincoln, Marathon, Monroe, Oneida, Pepin, Pierce, Polk, Portage, Price, Richland, Rock, Rusk, St. Croix, Sauk, Sawyer, Taylor, Trempealeau, Vernon, Vilas, Washburn, Wood, and the eight townships in the western part of Langdale county which were formerly in Lincoln county.

Collector's office is at Madison, Wis.

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